File No. AFD/FAP69 (Vol II - Suppl)

MYSORE GOVERNMENT SECRETARIAT

Notes/Correspondence/Collection

Department A & F Section Forests A

Subject :— Forest Corporation - Constitution of for development of Scrub and Dry Deciduous forests.

Earlier References :—

Later References :—

(Classification A/B/C)

Notes Pages 20

Correspondence Pages 115

For/Not for Section Note Book

To be destreyed after 8/2/81

Under Secretary to Government.

8/2/71

18.3.70

8/2/71

ಸರ್ಕಾರದ ಅಧೀನ ಕಾರ್ಯದರ್ಶಿ,
ಅರಣ್ಯ, ಪರಿಸರ ಮತ್ತು ಜೀವಿ
ಶಾಸ್ತ್ರ ಇಲಾಖೆ (ಅರಣ್ಯ)

Earlier ~~note~~ minute is at note 55 of Vol. I of the file

Note 1

2

Before the meeting is arranged for discussion regarding finding sources of ~~the~~ financial assistance to the Corporation, the matter needs to be taken to the Cabinet for its approval.

So incorporating all the salient features and economics of the scheme as well as pattern of financial assistance as I have already indicated in the above para and also the requirement of staffs etc The Cabinet note may be prepared to day to be approved, the same may be placed before the next Cabinet meeting to be held on 25th March 1970.

18/3/70.

Secy A/(F)

18/3/70

18/3/70

Note 2

1) Kindly see the minute of the Minister for Forests at note 55 of Vol I

of the file and the above minute. Vol II of the file which contains Cabinet' decision of the ~~[illegible]~~ 4th March 1970 has been submitted to the Minister for Forests.

As directed by the Minister for Forests, a draft Cabinet note has been prepared based on the outline scheme drawn up by the CF, Working Plans and Dev. Circle Bangalore and given by him at the meeting held in the Chambers of the Minister for Forests on the 13th March 1970. The draft Cabinet note has been prepared

(2)

(1)

(1) p10/16cf.

in Consultation with him.

Submitted

SM
18/3/70.

DS)

NOTE-3

Cabinet note approved
To get the concurrence of the F.M. by 21 March 70
This subject matter is to be placed before
the Cabinet for its approval on 21th March 70

20/3/70.

Secretary)

NOTE-4

The Revenue realisation from the standing Eucalyptus to Hamilton Polyfibre from 71-72 will be Rs. 36 lakhs and the Revenue realisation from clearance of tree growth from areas to be taken up for development under dry sections would be Rs. 80 Lakhs annually. The income would therefore be 116 Lakhs. The income out of the sale of Eucalyptus from 1½ Lakhs tons to 4½ Lakhs tons would be give increased revenue. This income could be utilised towards payment of interest and payment of instalment of principal. So this position may be indicated in the Cabinet note

The total assets after 43 years in addition to the constant revenue to Govt

Subject: File No. M. G. S

WD 01050—GPB—8,00,000 13-12-65

Eucalyptus grown by the forest corporation starts yielding revenue after 10 years 20000 Acres at the rate of 18 Tons per Acres 3 lakhs 60000 Tons and the revenue per annum from 11th year would be about Rs. 86 Lakhs. So from 21st year the revenue will be doubled.

In addition to the above various other economic species start yielding revenue from about 15th year onwards.

Thus the average revenue per annum would be Rs. 1.5 to 2 Crores. During the 43 year period of the scheme, the total revenue would be about Rs. 55 crores.

The ~~asset~~ forest wealth at the end of the 43rd year is estimated at Rs. 250 crores

This may be incorporated in the Cabinet note.

20/3/70.
ALUR HANUMANTHAPPA
Min. of State for Forests.

Secretary A&F) Secy. is in a meeting
To Day 4.25pm

Min. of St. Forests.
No. 470 Date. 18/3

20/3/70

Secy. Finance)

→

NOTE-5

The proposal as now sent envisages a very heavy share capital contribution by Government, viz. Rs.23.56 crores over a 18 year period. Of this, Rs.4.29 crores has to be contributed during the Fourth Plan. Since the proposal is for a commercial type Corporation, the investment madeeven by Government should promise a return at least after a few years' time. It is not also clear from the proposals whether the value of the forest land is being treated as part of the share capital contribution, as it ought to be. On the present pattern of the outlays in the Fourth Plan, it also seems doubtful whether the Government will be able to find Rs.4.29 crores in the Plan period. The CCF has stated that he can provide only Rs.10 lakhs every year, from within his Plan provision. Another and more fundamental point is the potential for return from the Project. The Agricultural Finance Corporation have observed that the present scheme is not a workable proposition, as the investment by a banking or refinancing institution would be repaid only after a long period of 18 years. Even this is visualised only after taking a very sizeable contribution from Government for share capital. It would really be necessary for the Scheme to be drawn up in such a manner that the "pay-back" begins within five to six years of the start of the activities of the Corporation, although it may not be to the full extent. In the very nature of the Project, the year-by-year financing picture, in which are included not merely the substantial portions relating to share capital, but also the short term loans that may have to be taken from Banks, will have to be clearly enumerated. In regard to the long term financing from banking or similar institutions, the view that the Agricultural Refinancing Corporation has taken is that until the proposed Corporation is established and proves its ability to run as a successful commercial venture, the ARC will not be in a position to consider the proposal of refinance.

2. It is, therefore, essential to clearly indicate what is proposed to be done in regard to these aspects. It has to be confirmed that

PTO

WD 0[illegible]—GPB—8,00,000 13-12-65

Government's contribution towards this Scheme by way of share capital can be found within the Plan ceilings, after the Project as a whole is "cleared" by the AFC. Even at the risk of delay by a month or so, it may be well worthwhile to discuss these aspects more fully with the AFC and ARC and arrive at a detailed financing plan and pattern of cash flow which will attract investment in the enterprise from banking institutions. Otherwise, there is the risk that the Corporation may run into difficulties after it is set up.

3. It is felt that since the Cabinet have approved in principle the setting up of the Corporation, the further proposals placed before the Cabinet should leave no doubt about the profitability of the enterprise, and the role which the several agencies and institutions should play in the financing. It may also not be correct to have any pattern of subsidised lending to the Corporation, by means of Government meeting half of the interest charges.

4. The Cabinet Note does not appear to have been seen by the Development Commissioner. In view of Forest Minister's Minute at Note-55, in the File placed below, Secretary, A&FD, may kindly consider having a meeting where all these points could be discussed and definite proposals put forward thereafter.

Mani Narayanswami
(Mani Narayanswami)
Secretary,
Finance Department.
23-3-1970

Secy A&FD

Note 6

Meeting maybe fixed on 8th April at 11 AM in my chamber. Secretary Finance, Development Commissioner to attend the meeting which will enable me to take the subject matter to Cabinet on 9th April 70 fixed.

31/3/70 ALUR KUMANTHAPPA
Minister of State for Forests.

1265/FS

File obtained in person from Secy F.D. 24/3 P.S.

Min. of St. Forests.
No. 604 Date. 24/3.

Secy. A.&F.D.
No. 2113
Date 2/4/70

M. G. S. | Subject: | File No. 8

From Prepare

Note 7

1) For Perusal

Note carry
2.4.70

2113

Dev. Comm)

Dev. Comr. & Spl. Secy
No. 9617
2/4/70

2) 3.4.70

Secy.. A. & F.
No. 2113
Date 3/4

Dy. Secy. A. & F.
No. 1807.

1) p. 20/17 cf

3/4/70

Note 8

1) Kindly see the minutes of the Minister for Forests at Note-6. A draft note for discussion on the 8th April 1970 at 11-00 A.M. in the Chambers of the Minister for Forests is submitted for approval. It is also for orders whether the C.C.F.(D) should be requested to attend the meeting.

3/4/70

Note 9

The Minister desires that the meeting should be fixed on 6th @ 11-00 A.M. instead of on 8th. Please issue intimations accordingly

3/4/70

Note 10

1) Issue intimations. Ter PSto

4.4.70

2) The PSto Minister for Forests on contacting over telephone indicated that the meeting fixed on the 8th may stand. Issue the notices immediately

4/4

Issued
4/4

Subject: **File No.** 9 **M. G. S**

WD 01050—G°B—8,00,000 13-12-65

The file is submitted for the meeting to be held on 8.4.70 at 11.00 am

8.4.70

(3

PS to ~~M Forests~~)

Min. of St. Forests
No. F63 Date 6/4)

File returned to Section after some writ.

P.S. 10/8

Ex/S (T)

11/8/70.

AFD 1 FAP 69 (Supl)

10

Sl. No. 1 (Receipt) :- Letter No. B1/3/PRR/3/69-70 dt 12/3/70 from the C.C.F.

Note-1

1) The main file No. AFD 1 FAP 70 has been referred to the P.S to Min/Forests 10/3/70

2) The C.C.F's letter at p.1/CF is for perusal and orders.

18/3

(1)

f.1

(1)

3) Kindly see the letter dated the 12th March 1970 of the C.C.F. regarding the establishment of a Corporation for the development of forests in the State. In paragraph 1 of his letter he has indicated (1) that the Corporation is to be formed only in respect of dry deciduous forests and scrub forests which is being attended to by the Conservator of Forests, Working Plans and Development Circle, Bangalore, (2) that no corporation is therefore contemplated exclusively for raising fast growing species.

4) These 2 presumptions of the C.C.F. are correct as the Conservator of Forests, Working Plans & Development Circle has been entrusting with the work of the preparation of ~~a~~ plan for the dry deciduous and scrub forests but the scheme to be drawn up is to include the raising of fast growing species.

5) In the second paragraph the C.C.F. has indicated that the Rs. 11 lakhs provided in the Budget for the year 1970-71 for the scheme ~~of~~ for plantations of fast growing species is being distributed by him to the respective Conservator of Forests for implementation of the scheme and drawing up of programme and has requested for the additional allotment of sum of Rs. 29 lakhs as the commitment would be of the order of Rs. 40 lakhs. A sum of Rs. 11 lakhs provided in the budget under the scheme ~~of~~ for plantations of fast growing species is meant only ~~for~~ towards initial expenditure for setting up of the Corporation and towards the Government share of the Corporation. Hence, this would be for developmental work ~~to be allotted~~ for raising Eucalyptus Plantations separately. The raising of Eucalyptus Plantations would form a part and parcel of Development of dry deciduous and scrub forests for which a scheme has been prepared by the Conservator of Forests, Working Plans & Development Circle and a copy of which was given by him at the meeting held on 13th March 1970. If approved the C.C.F. will be intimated as per the draft submitted for approval.

18/3

DS

L ~~and note of~~ Scrub + Deciduous forests

Dy. Secy. A & F
No. 1445
18/3/70

AFD/FAP 69 (Suppl)

Note. 2

For personal information

Note. 3

Issue.

20/3/70

ALUR HANUMANTHAPPA
Min. of State for Forests.

21/3

Secy A&F)

Dy. Secy.)

21/3

1445.

F. No. 481

Secy., A. & F.
No. 1980
21/3

21.3.70.

Issue on 23/3/70

21/3/70.

SL. No. 2 (Issue) :- G.L. No. AFD 1.FAP 69 (Suppl-1) dt 23/3/70 to the C.C.F.

SL. No. 3 (Receipt) :- Letter No. B1/3/PRR/3/69-70 dt 21/3/70 from the C.C.F.

Note. 4

The C.C.F's letter at p. 6/cF is for perusal. In order to get financial assistance from the Bank, the C.C.F. has suggested that the existing Eucalyptus Plantations may be transferred

to the proposed corporation as an asset which is valued at Rs 2,54,41,492/- and added on to the paid up capital of the corporation which will be.... Rs 1,47,51,000/- being the Share capital contributed by the Govt. during the 10 year period.

The C.C.F., therefore, Requests orders on the following

1. For the formation of a corporation for raising plantations of fast growing species and to entrust the work pertainning to drawing up of Memorandum and Articles of the company and subsequent Registration of the company to Messrs. Agro Industries corporation;
2. Sanctioning an expr. of Rs 53,000/- to be incurred on the formation of corporation;
3. For the constitution of a committee of Prospective Directors to discuss the draft memorandum and articles of association;
4. For the deputation of the A.T.A and and Accountant of C.C.F's office to go to Bombay for discussion w/ the Managing Director, Agr. Finance Corporation LTD., Bombay;

5. to transfer the extent of 2,12,483 acres of existing plantations under the control of the corporation; and

6. to permit the department to negotiate with the banks on behalf of the proposed corporation to secure loans.

The proposal of the C.C.F. is for orders. F/D's concurrence is necy.

Ab
30/3
8/4

With regard to the letter d/ 23.3.70 at P.3 of the CCF has sent a letter dt 6/4/70. Pl. put it up.
Am
8/4/70

SL. No. 4 (Receipt):- Letter No. B1 3/RRR/3/69-70 dt 3/6/4/70 from the C.C.F.

Note.s

The C.C.F's letter at p. 8/CF is for perusal w/r to G.L. dt 23/3/70. placed at P.3/CF

Pending orders on the C.C.F's proposal at p. 6/CF., he may perhaps be asked to distribute the amount of Rs 11-00 lakhs provided in the budget of 1970-71 towards the ~~imple~~ continuance of the scheme.

for plantation of fast growing Species.
Ref to note 3

13/4

13/4/70.

Note Continued:

① p.8/7 cy

① Kindly see notes 1 to 3 and the CCF's letter dated the 6th April 1970. The amount of Rs 11 lakhs provided for 1970/71 is for establishment of the Forest Corporation. When the Corporation is set up Rs 10 lakhs would be required as ¼ share of Govt for incurring expenditure on the Eucalyptus plantations as originally envisaged. Rs 1 lakh would be required towards preliminary expenses for setting up of the Corporation. There is no other provision from which this expenditure could be met. As the nurseries are to be maintained & the services of the staff have to be continued, FD may be consulted whether the expenditure on the nurseries & the staff required for Eucalyptus plantations could be met out of the aforesaid provision of Rs 11 lakhs. In the budget under '70 Forest & Development Schemes' 1) State Plan C Forests under item (18) Plantation of fast growing species' a provision of Rs 11 lakhs has been made.

U.O. 1320/B
18/4/70

For orders

16/4/70.

16/4/70.

P.T.O.

R. & I. SECTION
No.
Date 17
Signature

Dy. Secy. to A & B
No. 2076 17/4

L. V. J. 2/6

FD

AFD I FA 969 (Supl) 15

Note-6

FINANCE DEPARTMENT (BUDGET)

A provision of Rs.11 lakhs is made in the current year's Budget for plantation of fast growing species. This scheme was a Centrally Sponsored Scheme till the end of 1968-69. From 1969-70, it has been treated as a State Plan. It was for accommodating this scheme that an additional allocation of Rs.40 lakhs over and above the Plan ceiling of Rs.80 lakhs for that year was given for the Head of Development 'Forests'. The ceiling for the current year is Rs.100 lakhs. This is after transferring schemes costing about Rs.16.10 lakhs from State Plan to Non-Plan. It was possible to provide Rs.40 lakhs for the scheme. But the Forest Department has provided more for the following schemes during the current year:

	(Rs.in lakhs)
1) Rehabilitation of degreded Forests	+ 7.00
2) Economic Plantations	+ 0.50
3) Farm Forestry	+ 12.00
4) Forest Publicity	+ 6.75
Total:	+ 26.25

In view of the raising of the Plan ceiling (due to transfer of the Centrally Sponsored Scheme) and in view of the transfer of Plan Schemes to Non-Plan it will not be possible for Finance Department to allocate more funds to the extent of Rs.29 lakhs as suggested by the Chief Conservator of Forests in his letter dated nil of 1970 (Sl. No.1) for this scheme for the current year.

It is not known on what basis the Agriculture & Forest Department says that the provision of Rs.11 lakhs is for the establishment of the Forest Corporation. Specific provision of Rs.1 lakhs only is made for investment in Forestry Corporation vide page 646 of the Non-Plan Budget Estimates 1970-71. The expenditure on the existing scheme ~~the head indicated in the Agriculture & Forest Department note~~ is correctly debitable to the head indicated in the Agriculture & Forest Department's note, so long as it continues to be under the control of the State Government. If the scheme is to be transferred to the Corporation after its establishment that will be a different matter.

U.O. 1320/B

7-A

O Item 4

R. & L. SECTION
A. & F. D.
No. 17092
Date 24 NOV 1970
Section

A & F. Deptt

AO 23/4 U/S (Budget)

2074.

16 AFD I FR P(Q(Sup

Note - 7

The FD's opinion in Note 6 is for Perusal w/r to C.C.F's letter at pages 1 & 8/ci-. If approved the C.C.F. will be asked to distribute the budget allotment of Rs 11-00 lakhs to the Respective C.Fs for implementing the Scheme. A draft of order is also put up for appl.

25/4/70

24/4

Secretary (Arf)

NOTE. 8.

Please see Note 6. It would be desirable to discuss the matter with the C.C.F. in view of the remarks of the F.D. at Note 6.

25/4

Secy., A. & F.
No. 2611
Date 25/4

Min. of St. Forests.
No. (-80) Date. 25/4

Note - 9

Minr., Forests. Secretary to discuss.

28/4/70

ALUR HANUMANTHAPPA
Min. of State for Forests

28/4

Secy (A & F)

Secy., A. & F.
No. 2611
Date 28/4

3317/FA/70.
& ARS
29/4

Note - 10

DS) Submitted for perusal. Ref. to Note 9

29/4

30/4

1/5/70.

Secy., A. & F.
No. 2639
Date 4/5

Secretary (Arf)

Note. 11

From Prepage.

Discussed with DS & TA to C.C.F.

Note 7 and the draft at P.9 may be approved.

17

2839

Note. 12

Min. Forest

Approved.

5/5/70

ALUR HANUMANTHAPPA
Min. of State for Forests

Secy (A&F)

Issue today

8/5

DS)

Issued on 8/5/70

Min. of St. Forests
No. 1891 Date. 6/5/70

Secy., A. & F.
No. 2839
Date 6/5

Dy. Secy. A. & F.
No. 2293 6/5

Sl. No. 1 (Receipt) :- D.O. letter No. Dpt-51-PASF-127/69-70 from the C.F. W.P & D. circle, B'lore

Note-13

Minute of the Min/Forests

"D/s to examine. Let the officers concentrate in preparing the Scheme. Bring the same for discussion during next week"

Intd/- A.H. 9/4/70.
Min/Forests.

Note 14

In order to revise the Scheme in accordance with the instructions issued by the Min/Forests, the C.F. working plans & Dev. circle, B'lore has requested to return the Scheme ~~said to have been~~ submitted to the Min/Forests.

The P.S. to the Min/Forests may be requested to kindly make available the said Scheme and also to get the instructions of the Min/Forests confirmed in the first instance.

The meeting will however be arranged after the revised Scheme is received from the C.F.

17/4/70

Dy. Secy. 17/4
No. 2673
Min. of St. Forests
No. F717 Date 17/4

17/4 Ds. to the Min for Forests

Note-15

17/4/70

This subject was discussed with Sri. Rudra Murthy. The comprehensive scheme for 53 years has been given to him for study. Mel

Meeting will be fixed after 15th May 70.
Ascertain the convenient date from Sri Rudrakulay
and fix up the meeting. Development
Commissioner and others may be invited
for the meeting.

19

2073

IFAP 69.

29/4/70

ALUR HANUMANTHAPPA
Min. of State for Forests

7.717

30/4

Secy., A. & F.
No. 2760
Date 30/4

Secy (A&F)

Note. 17

Dev. Comr. & Spl. Secy
No. F. 835
1/5

Dev. Comm)

Pl take further action

4/5

Note 18

Secy (F)

4/5

2760
4/5

D.S.)

4/5/70

20 AFD 1 FAP 69 (Supl.)

Sub:- Formation of Forest Corporation in the State -

Note-19

A draft of the proceedings of the meeting held in the chambers of Min/Forests on 25/4/70 to consider the setting up of a Forest corporation is put up for appl.

30/4

30/4

Secy., A. & F.
No. 2750
Date 30/4

Secretary A (F)

Note-20

30/4

Min. of St. Forests.
F No. 840 Date. 30/4/70

Min. Forests

Approved as modified.

S/5

ALUR HANUMANTHAPPA
Min. of State for Forests

Secy., A. & F.
No. 2750
Date 6/5

Secy A (F)

6/5

Issue early

8/5

Dy. Secy. A. & F.
No. 2250 6/5

DS)

Note-22

A draft letter forwarding copies of Proceedings to all concerned is put up for appl.

11/5

Issue today

11/5

Issued on 11/5/70.

21 AFD 1 FAP 69 (Part III)

Note-23

Mr. Prabhu, Under Secretary, D.H.P.C. Dept. intimated over telephone that the meeting with the Managing Director, A.R.C. regarding Forest Corporation may be fixed on the 25th instant at 10-30 A.M. in the Development Commissioner's chambers and that necessary action may be taken to issue meeting notices.

U.S., Forests may kindly see for further action. Further information may be obtained from the Under Secretary, D.H.P.C. re: particulars re: the meeting

13/4

U.S., Forests

xxx
Sri ARB
13/4

Sl. No. 1 (Receipt) :- copy of D.O. letter No. DPC 845 ARC 70 dt 14/4/70 from the D.H.P.C. Dept.

Note-24

The main file No. AFD 1 FAP 69 has been submitted to the Min/Forests on 6/4/70

A draft notice is put up for appl.

15/4

Issue
15/4

15/4/70

Sl. No. 2 (Issue) Issued ~~letter~~ notice No. AFD 1 FAP 69 dt 16/4/70 to the Officers noted in the notice.

All the addressees informed of the meeting by phone
24/4

Dept. A. R. R.
No. D 327
Date

2756/FA/70
14/4

A draft letter as per instructions of the U/S is put up for appl.

25/4

Issue

25/4/70

Sh. No. 3 (Issued) :- Issued letter no. AFD I FAP 69 (Part III) to the C.E.F.

AFD I FAP 69 (P. III)

Note 26

25/4/70

The meeting was held in the chambers of the Dev. Commr. as Scheduled. A draft of the Proceedings of the meeting is Placed at pages 5-8/cf for appl. ~~for appl~~ by the Dev. commr.

~~Another meeting was held in the chambers of the Dev. Commr. immediately after the meeting was over in the chambers of the Dev Commr. Another draft of the proceedings of the meeting held in the chambers of the Dev Commr is also put up for appl by the Dev Commr at Page 9 to 10.~~

27/4/70

27/4

Secretary (A & F)

Note 27

Plenary Speech

Shri Bajaj

Discussed

30/4

Secy., A. & F.
No. 2691
Date 28/4

From prepare.

Note 28

Draft proceedings at pp 5-8 for appl.

2691

Dev. Comr. & Spl. Secy
No. F.819.
30.4.70.

Secy., A. & F.
No. 2691
Date 1/5/70

Dy. Secy. A & F
No. 2245
1/5

Dev. Comm)

Note. 29

After the revised scheme prepared quickly

Secy/Arts

D.S.)

Note. 30

A draft letter w/r to Note 6 above is put up for appl.

Issue
4/5

Issued 6.5.70

Note-31

We have been having a number of discussions about constituting a Forest Corporation on quick growing species in Mysore State.

2. During my recent visit to Belgaum, Shri Y.M.L.Sharma Conservator of Forests, Belgaum, gave me a Paper which has been contributed for the National Seminar on "Afforestation - Plans and Achievements in Mysore State".

3. Some very useful suggestions have been made therein about Eucalyptus plantations. He told me that it should be possible to plant certain species of Eucalyptus which could yield oil; and that a suitable programme could be worked out to make the project economical and start paying from the third year itself. While preparing the project, the views of Shri Sharma may please be kept in mind.

Placed below for [illegible]

Dev. Comr. & Spl. Secy
No. DAP 462-70
4/5

Y.V.K.Rao
4/5

Secy, A&F.

Date 7 MAY 1970
Section
1578/

Note-32

1) Placed CF, WPD Circle
8/5

2) A draft letter is put up for appl.
11/5

3) Issue today & [illegible]
11/5

3557/FA/70

Issued on 11/5/70

4) Submitted w/r to para 3 of Note 32 after issue
18/5

Taken back from the U/S (Tech)
28/5

Sl. No. 18 (Receipt) :- Copy of D.O. letter no. DPT-51. PASF-127/69-70 dt. 18/5/70 from the C.F. W.P & D. Circle.

Note-32

Minute of the Min/Forests

"U/S (Tec) to examine the pattern of the board intended to be created at Maharashtra. I think we may also have one such board taking the Eucalyptus Realisation every year plus the Realisation out of Scrub & D.D. Clearance according to the present Scheme, the ~~[illegible]~~ Revenues we may get out of the Sale and the same amount may be utilised for development"

Initd/- A.H 20/5/70.
Min/Forests

Note-33

The Remarks of the C.C.F (Dev) on the comments of the C.F. working Plans & Dev. Circle may be awaited. In the mean time the C.C.F. may be asked to fd. a copy of the book-let contituting the Forest Dev. Board in Maharashtra State. A draft

letter is also put up for appl.

25/5 — please issue
25/5

SL.No.20: Issued on 25/5/70.

SL.No. 21 (Receipt): - Letter No. CCF (DEV) D/163/69-70 dt 5/6/70 from the C.C.F (Dev)

SL.No. 22 (Receipt): - Letter No. CCF (Dev) D/163/69-70 dt 27/6/70 from the C.C.F (Dev)

Note. 34

The C.C.F (Dev)'s letter at page 59/CF is for perusal w/r to the minute of the Min/Forests on page 53/CF Reproduced in Note 32: The C.C.F. (Dev) ~~that~~ has Reported that we cannot think of a Self financing forest Board on the pattern of Forest Development Board created by Maharashtra Since there would not be enough amount available to afforest the Scrub areas included in our Scheme.

The C.C.F (Dev) in his Second letter dt 27/6/70 (P. 66/CF) has Suggested

to discuss this matter with the Regular C.C.Fs after they assume charges.

For perusal & orders.
Ref. to Note 32.

16/7
16/7.

vs (Tech)
17/7/70

Letter No. DPT. 51-PASF. 127/69-70 from the C.F. W.P&D.C.

Note continued

Kindly see the letter of the C.F. W.P & D. circle placed at p. 84-86/CF.

The C.F. has reported that as per instructions of the Secy. A&F Dept. during the meeting held on 7-7-70, a revised scheme to raise 20,000 acres of Eucalyptus and Bamboo plantations annually, during the next ten years by the proposed Mysore State Forest Corporation, has been prepared and sent.

The proposal of the C.F. W.P&D. circle is as follows:-

1. To register the corporation as a "Private company" under the companies Act 1956, the head office of the corporation being at Bangalore

2. To constitute the Board of Directors for the corporation as follows

i) Min / Forests	Chairman
ii) Dev. comnr.	Vice-chairman.
iii) Secy. A&F	Director
iv) Secy. F/D	—"—
v) Secy. C&I	—"—
vi) C.C.F.	—"—
vii) C.C.F (Dev)	—"—
viii) Spl. officer of the Status of a C.C.F	Managing Director.
ix) A leading member of the Forest based Industry viz., Pulp, Paper & Rayon)	Director.
x) one M.L.A.	—"—
xi) one M.L.C	—"—
xii) An officer of the Status of a D.F.O.	Secretary.

3. To create a post of a special officer of the Status of C.F. (which post will subsequently merge with the post of General Manager of the corporation) for a period of 6 months or until the corporation is formed, whichever is earlier.

4. To incur an expr. of Rs 75,000/- towards Registration and to

meet the expr. towards Pay of the officers etc.

The proposal of the e.f. is for orders. There is a provision of Rs. 1-00 lakh in the budget of 1970-71 vide page 646 of Non-Plan Budget Estimates 1970-71.

Receipt no. 24 is also submitted
24/7

21/7
31/7

Note continued in Volume III
13/8

MYSORE FOREST CORPORATION.

(1) 1. OBJECT:- As a result of alround developmental activities in our country, the demand for paper and Rayon and their products is increasing day by day. This in turn requires increased supplies of raw-materials like Bamboos and Softwood from our Forests. It is estimated that the potential requirements of Industrial wood for the manufacture of Pulp and Paper by 1975 alone, would be 18,60,000 Cubic metres or 21,00,000 tons annually.

The existing three paper mills in Mysore State have a total annual production capacity for 40,000 Tonns. The required raw-materials are being supplied from the Forests of our State. Now a few more Paper and Fibre industries are coming into existence and there is an immediate need for the supplies of Raw-materials like Bamboos and Eucalyptus for pulp-wood, to the tune of nearly 2,50,000 Tons annually to start with. Unless adequate arrangements for these additional supplies of Raw-materials for Paper and Rayon Industries, are made in time; these industries are bound to suffer heavily due to want of Raw-materials. Therefore, there is an urgent need to raise large scale plantations of fast growing species like Bamboo, Eucalyptus etc., to ensure, that such vital industries are properly developed by supplying them the required quantities of Pulp-wood and other raw-materials in time. Hence, with this object of supplying raw-materials to the Pulp and Rayon Industries, it is proposed, to form "The Mysore Forest Corporation" which will, raise Plantations of Fast Growing Species and arrange for the supply of raw-materials to Industries that are in existence now and to those other wood pulp based industries that arellikely to be started, in Mysore State, in the near future.

To achieve the above mentioned objective, it is proposed to raise Eucalyptus and Bamboo Plantations over at least 20,000 acres, annually, over a period of 10 years, so that when 2,00,000 acres of plantations are raised, these plantations will have a minimum potential of 40,00,000 tons

Contd...2.

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of raw-materials for supplying to Pulp and Rayon Industries.

The Corporation shall also endeavour to plough back at least 50% of its net profits in improving the degraded forests by introducing economically important species like Sandal, Hunse, Honge, Ippe, Bevu, Kamara, etc. By adopting intensive soil conservation and afforestation measures, the future yield of these plantations has also to be enhanced.

(2) AREAS:- It is an established fast that, Eucalyptus Plantations raised in a rainfall zone of 40" to 80", yield good results and on a rotation of 10 years, they can produce a minimum quantity of 20 tons of pulpwood, per acre. It is necessary to select good areas for raising extensive plantations, to ensure timely and assured results. Therefore it is proposed to select areas, out of the 40" - 80" annual rainfall zone, for raising 20,000 acres plantations annually. Over such a tract, at present, Eucalyptus plantations are successfully grown, in the western parts of the Districts of Belgaum, North Kanara, Shimoga, Chickmagalur, Hassan, South Kanara, and Coorg as indicated on the sketch Map vide Annexure-A. The approximate extent of areas available for raising Eucalyptus plantations in each district is indicated below:-

Sl No.	Name of District	Unit No.	Annual area		Total area for 10 years.	
1.	Belgaum	I Unit	1,000	Acres	10,000	Acres
2.	North Kanara		4,000	"	40,000	"
3.	Shimoga	II Unit	5,000	"	50,000	"
4.	Chickmagalur	III Unit	4,000	"	40,000	"
5.	Hassan		1,000	"	10,000	"
6.	South Kanara	IV Unit	2,000	"	20,000	"
7.	Mysore		1,000	"	10,000	"
8.	Coorg		2,000	"	20,000	"
			20,000	"	2,00,000	"

It is also proposed to transfer the existing Eucalyptus plantations, raised from the year 1960-61 to 1969-70 to the

Contd...3.

Corporation, for maintainence and harvesting and subsequent tending and management. The extent to be so transferred is indicated below:-

Sl No.	Year	Extent in acres. Pure	Mixed	Trench-mound.
1	2	3	4	5
1	1960-61	4132	225	36,512
2	1961-62	1481	1894	11,465
3	1962-63	1869	3980	6,684
4	1963-64	1993	7835	11,905
5	1964-65	2560	7247	13,351
6	1965-66	2517	6591	11,628
7	1966-67	3300	7642	11,117
8	1967-68	4127	6136	10,968
9	1968-69	3379	8403	5,880
10	1969-70	3379	8403	5,880
TOTAL	10 Years	28,737	58,356	1,25,390

The existing plantations over an extent of 2,12,483 acres are also proposed for transfer to the Corporation, and they are situated in the following Forest Divisions of the State. Bangalore, Mysore, Kolar, Tumkur, Mercara, Coondapur, Hassan, Dharwar, Bhadravathi, Shimoga, Tarikere, Mangalore, Honnavar, Karwar, Yellapur, Sirsi, Belgaum, Sagar, Chickmagalur, Koppa, Dandeli, Chamarajanagar and Kollegal.

(3) ROTATION:- The primary object of raising these plantations is production of Pulpwood. Fast growing species like Eucalyptus and Bamboos which can be worked on shorter rotation only are proposed. Tentatively the rotation has been fixed at 10 years, but due to reasons of expediency, it may be worked on a shorter or longer rotation, based on further experience. In the absence of the statistically found data about the year of maximum production where in C.A.I and M.A.I. curves cut each other, it would be safer to assume 10 years for the purpose; partly

Contd...4.

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basing it on the experience gained in Jarakabande 'B' Plantations of Bangalore Forest Division.

(4) WORKS TO BE CARRIED OUT BY THE CORPORATION.

(A) RAISING NEW EUCALYPTUS AND BAMBOO PLANTATIONS.

Annually, 20,000 acres of Forest will be clearfelled by the Forest Department and the cleared and burnt areas ~~are to~~ will be handed over to the Corporation, for raising Plantations of Fast Growing species. Such cleared areas, if handed over by the end of April every year, the pre-monsoon works like clearance of site, alignment and pitting (if necessary) could be got done, by the end of May, and during June when monsoons set in or earlier planting operations could be undertaken.

For the purpose of planting 20,000 acres annually a very large number of seedlings would be required. So necessary arrangements are to be made by the Corporation well in advance for, the collection of seeds, sowing of seeds and maintenance of Nurseries. Planting has to be done at an espacement of 6' x 6' giving 1210 plants per acre, and for planting 20,000 acres, about 2½ crores of good seedlings will be required annually. To obtain this huge stock of seedlings atleast 20,000 standard size nursery beds (40' x 4') will be necessary. This inturn necessities the selection and maintenance of ~~Central~~ Wet Forest Nurseries. According to the incidence of rainfall in a locality the particular species of Eucalyptus has to be planted. In high rainfall and high altitude areas, Eucalyptus grandis does much better, as is experienced in Coorg District. In plain areas with heavy rainfall, Eucalyptus citriodora could be raised with added advantages of additional income on account of distillation of its leaves for the Oil, which has a ready market in Soap Industries. In areas with less annual rainfall, Eucalyptus hybrid could be very successfully raised. In all suitable localities and along nallas and river banks, Bamboos plantations should be raised. In areas with heavy rainfall like Coorg and North Kanara Districts, Burma bamboo could be raised on an extensive scale. In other localities, big bamboo could be

Contd...5.

planted. Each unit is expected to raise and look after 5,000 acres of Eucalyptus and Bamboo plantations. These plantations will have to be looked after every year, till they are finally harvested. Special weedings are necessary during the First, Second and Third year of formation, to promote better and faster growth of plants. This has been provided for.

(B) MAINTENANCE AND HARVESTING OF EXISTING PLANTATIONS:

As already mentioned, ~~before~~, a total of 2,12,483 acres of existing Eucalyptus (Pure, Mixed and Trench-mound) Plantations are to transferred by the Forest Department to the proposed Corporation. These plantations, when they are 10 years old, are to be harvested and the annual yield of Eucalyptus wood has to be supplied to the Harihar Poly ~~Fabrics~~ Fibres, at Rs.24/- per ton, vide Government Orders No.AFD 19 FDP 69 dated 4-12-1969 (Annexure A/1). These plantations are expected to yield a total of about 12,00,000 Tons during the 10 years of the first rotation i.e., from 1970-71 to 1979-80 (Vide Annexure-B). Once these plantations are harvested, the coppice growth comes up and the second crop is ready for harvest again after another 10 years. Without any further expenditure on planting and formation of the plantation, Eucalyptus plantations can be harvested thrice, on a rotation of 10 years, ~~Within~~ over a period of 30 years. The only expenditure that will be necessary, is in respect of tending, watch and ward and protection against Fires and Cattle damage. After 30 years it the yield, appreciably drops down, then these areas shall have to be replanted and looked after as above.

(C) IMPROVEMENT OF THE DEGRADED FORESTS:

The existing Eucalyptus plantations are situated in Maidan Districts and it would be necessary for the Corporation, to develop all the degraded areas, in and around these ~~plantations~~ plantations, so that in future; the returns per acre from such forests and plantations could be increased manifold. When the Corporation makes a net profit, atleast 50% of the net profits are to be ploughed back into these degraded forests areas for improving their future potential values, by Soil Conservation

Contd.6.

afforestation measures and introduction of economically important species like Sandal, Hunse, Honge, Beyu, Ippe, etc. These areas also include trench-mound plantations; which are usually come across in the Maidan Districts of Bangalore, Kolar, Tumkur, Hassan, Mysore, Dharwar, etc. Such areas will have to be improved by taking up intensive Moisture and Soil Conservation and afforestation works. In due course, not only the density and quality of the crop improves, but also, the exploitation age of 10 years, is likely to be further reduced, which will be an added advantage to the Corporation, in turn.

(5) COST ON FORMATION OF PLANTATIONS AND THEIR MAINTENANCE ETC.

Annually, 20,000 acres of Forests, which are clearfelled and are handed over to the Corporation, are to be planted up with Eucalyptus and Bomboo seedlings by the Corporation staff. For this purpose Four Field Units are necessary; to raise and maintain 5,000 acres of plantation, by each such unit. The cost of cultivation i.e., formation and maintenance, excluding staff, watch and ward and other expenses are estimated to be as under:-

(i) First year planting	...	Rs.135/-	per acre.
(ii) Second year maintenance..		Rs. 38/-	-do-
(iii) Third year maintenance ..		Rs. 14/-	-do-
(iv) 4th year onwards	...	Rs. 4/-	-do-

Yearwise expenditure on formation and maintenance of 2,00,000 acres plantations has been worked out and is indicated vide Annexure-C. It could be seen from column-4 of this annexure that the total cost on this item for the 10 years period from 1970-71 to 1979-80 would be Rs.383.20 Lakhs. Further the cost on the maintenance of these plantations during the Second rotation of 10 years i.e., from 1980-81 to 1989-90 works out to Rs.130.80 Lakhs and is shown in column 3, 4, and 5 of Annexure-D.

The cost on watch and ward of these 2,00,000 acres of plantations to be raised, for the first 10 years is estimated to be Rs.28,13,160/- as indicated in Annexure-E.

Contd..7.

In order to cope up with this enormous work connected with the raising and maintenance of 2,00,000 acres of plantations during the next 10 years, it will be necessary to have adequate staff, well trained and experienced in Forestry, both at Headquarters of the Corporation and in the Field. Expenditure on the minimum establishment found essential, has been calculated and exhibited vide Annexures-F and G.

Similarly, the connected expenditures, which is inevitable in such huge organisation, on account of furniture, vehicles and other charges, have also been workedout and are indicated vide Annexures-H and I.

REVENUE AND EXPENDITURE:

(6) The only initial source of revenue, for the Corporation would be the existing Eucalyptus plantations over an area of 2,12,483 acres, which are proposed to be transferred by the Forest Department to the Corporation, as a part of share capital. It is estimated that these plantations would be yielding about 12,25,000 Tons of Eucalyptus, Raw-material, which is to be supplied to the Harihar Polyfibres, at Rs.24/- Ton, during the period of first 15 years. Vide G.O.No.AFD 19 FDP dated 4-12-1969 (Annexure-A/1). These supplies will fetch a total Revenue of Rs.295.00 Lakhs during the years 1970-71 to 1979-80, (Vide Annexure-B).

The new Eucalyptus plantation, which are to be raised at the rate of 20,000 acres per year, for the next 10 years, are estimated to yield at least 20 Tons per acre i.e., 4,00,000 Tons per year. This raw-material if supplied to Industries at Rs.24/- per ton, would be giving an annual income of Rs.96/- Lakhs from the 1980-81 onwards till 1989-90. However the total annual Revenue from all Eucalyptus plantations from the year 1980-81 would be about Rs.1-25 Crores. The year wise Revenue have been worked out and are indicated in Column-2 of Annexure-A/2. It is seen that the total Revenue over a period of 20 years from 1970-71 to 1989-90, would be of the order of Rs.1551 Lakhs.

Contd..8.

The total annual expenditure on all items including raising and maintenance of plantations, watch and ward, establishment, and other charges, has been worked out and indicated Annexure-C and Column-3 of Annexure-A-2. The total expenditure for the first 10 years (1970-71 to 1979-80) would be Rs.494.85 Lakhs and that for the second rotation (1980-81 to 1989-90) would be Rs.263.60 Lakhs, thus resulting in a total expenditure of Rs.758 Lakhs during the 20 years period (1970-71 to 1989-90).

It could be seen from the details furnished in Annexure-A-2 as regards Revenue and Expenditure, that during the first 10 years the Revenues amount to Rs.295 Lakhs where as the expenditure is of the order of Rs.495 Lakhs. To meet the extra expenditure, annually, the Corporation will have to raise a loan as indicated in Column-4 of Annexure-A2, amounting to Rs.5.8 Crores over a period of 15 years from 1970-71 to 1984-85. On this loan, simple interest amounting to Rs.192.4 Lakhs will have to be paid, over a period of 15 years from 1970-71 to 1984-85 as indicated in Column-5 of Annexure-A-2 and details of Loan and Interest are shown in Annexure-J.

(7) FINANCIAL ASPECT:- Simple interest at 7% on the loan raised, shall be repayable right from the first year, out of the Revenue of Rs.30.10 Lakhs that is to be obtained by the sale of Eucalyptus raw-material to M/s. Polyfibres at Rs.24/- per Ton, as per Government Orders. For the amount required for the expenditure of the Corporation, annually loan amounts will have to be taken from any Financing agency, and the repayment of loan would begin only from the 4th year onwards, as indicated in Column-8 of Annexure-2. It will be further seen that, the entire outstanding amount of loan and interest would be repaid during the 15th year i.e., 1984-85; leaving the Corporation with a surplus amount of Rs.78.39 Lakhs. From 1985-86 onwards the Corporation will be earning a net profit of Rs.100 Lakhs per year.

During this period, when the Corporation, is able to earn substantial profits, it is proposed to plough back atleast 50% of the net profits i.e., Rs.50,00,000 annually, in the development of degraded Forests and raising plantations of economically important

species like Sandal, Hunse, Honge, Begu, Ippa, Alale, etc.

(8) GOVERNMENT CONTRIBUTION TO THE CORPORATION.

(i) Eucalyptus Plantations, over an area of 2,12,483 acres are proposed for transfer from the Forest Department to the Corporation - These plantations are expected to yield 12,25,000 Tons of raw-materials, worth Rs.295 Lakhs.

(ii) 2,12,483 acres of Forest land, valued at Rs.100/- per acre = Rs.2,12, Lakhs.

(iii) 2,00,000 acres, proposed to be transferred by Forest Department after clearfelling, at Rs.100/- per acre - Rs.200 Lakhs.

TOTAL RS.707 Lakhs.

(9) TOTAL OUT-LAY FOR THE PROPOSED CORPORATION.

(a) Value of land	... ...	Rs.412 Lakhs
(b) (i) Raw-material	... ...	Rs.295 Lakhs
(ii) New Plantations	...	Rs.960 Lakhs.
(c) Total loan and	... ...	Rs.579.39 Lakhs
(d) Total interest to be paid	..	Rs.192.40 Lakhs
TOTAL RS.	...	2438.79 Lakhs
	OR SAY	24.4 Crores

(10) CONCLUSION:

By transferring 2,00,000 acres of Forests over a period of 10 years, the State Government does not lose its annual Revenue from the Forest Department, as, such areas are to be worked and then sold and clearfelled and burnt, before they are handed over to the proposed Corporation, for raising Eucalyptus Plantations.

Secondly, the Corporation can better concentrate on its works of raising and maintenance of Plantations, on such a large scale, which is very essential to feed the pulp and rayon Industries, without any difficulties, thus putting the wood based industries of the State, on a stronger foundation.

Thirdly, the degraded forests, where the existing Eucalypturs plantations (Trench-mound Plantations) are raised, will be improved, by intensive soil conservation and afforestation

measures, costing about Rs.50,00,000 per year, without any extra cost to the State Government.

Therefore, the State Government will be benefitted by the formation of the "Mysore Forest Corporation" as it will be an economically sound and feasible ~~which~~ proposition which could help the paper, pulp and rayon industries and at the same time; improve the degraded Forests in Mysore State. In addition, the Corporation, will also be in a position to pay to the State Government either rental value for the land transferred, or an agreed percentage as dividend on the net profits.

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Annexure-A.

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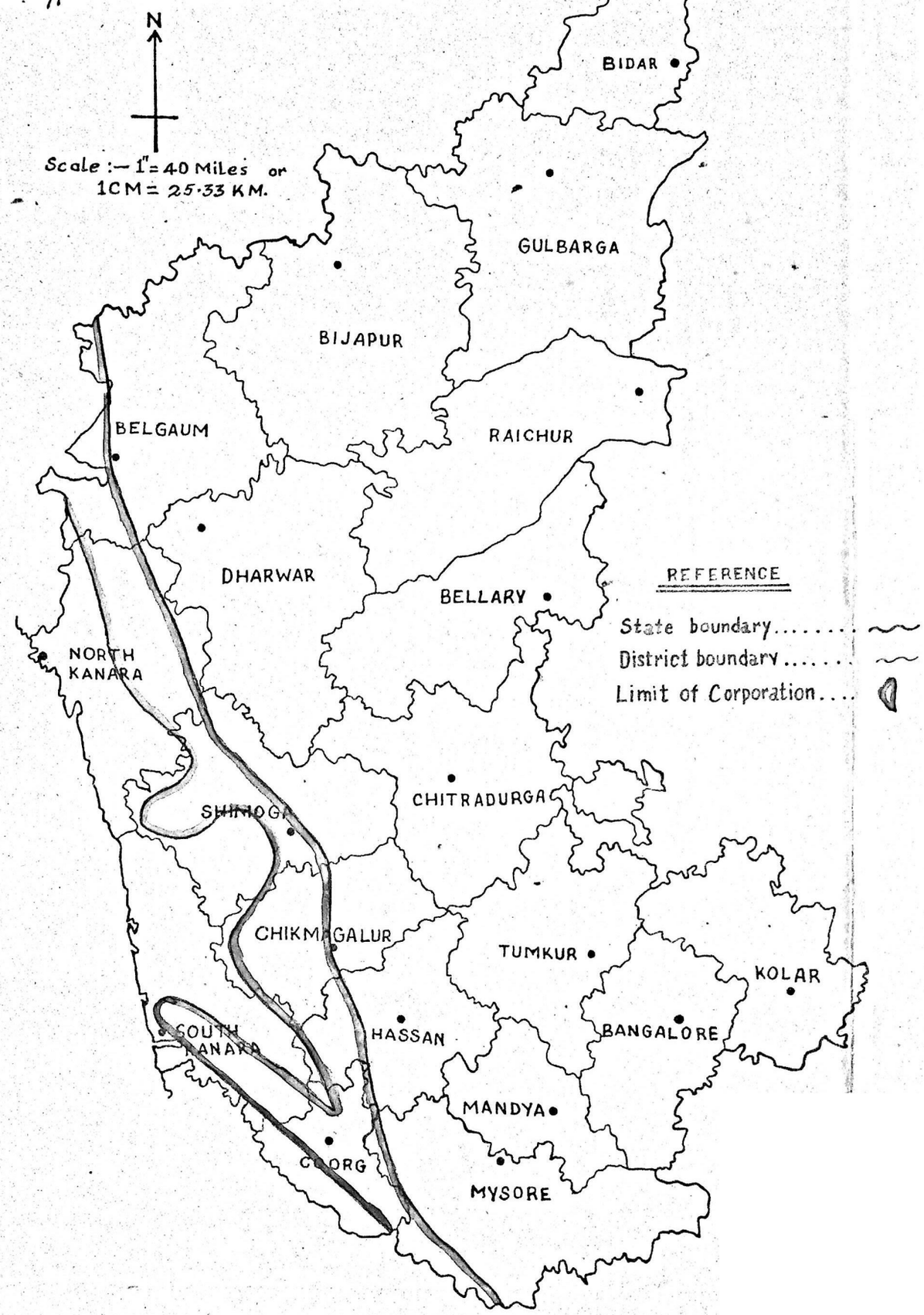
MYSORE FOREST ~~PLANTATION~~ CORPORATION

Map of Mysore Showing areas Where Eucalyptus Plantations are Planned



Prepared by:—
B. Shivanna. (Draughtsman)

ANNEXURE A-1.

PROCEEDINGS OF THE GOVERNMENT OF MYSORE.

Sub:- Forest Department - Harihar Polyfibers - Allotment of Eucalyptus - Orders.

ORDER NO.AFD.19.FDP.69, DATED BANGALORE THE 4TH DECEMBER,1969.

With reference to the correspondence ending with letter No.A6.67.567/66-67 dated the 12th June,1969 from the Chief Conservator of Forests and the letter No.WPC.186.F.69, dated the 21st August 1969 from the General Manager, Harihar Polyfibers, on the above subject, the Governor is pleased to accord sanction on the allotment of Eucalyptus to the extent of 1,50,000 tonnes per annum for their factory " Harihar Polyfibers" at Kumarpatnam, P.O. Nalvagal, Dharwar District, Mysore State as per the details given below:-

(1) Area:-
Plantations raised upto 1968-69 from the Forest Divisions of Bangalore, Mysore, Kollegal, Kolar, Tumkur, Chamarajanagar, Hunsur, Mercara, Coondapur, Mangalore, Hassan, Yellapur, Karwar, Honavar, Sirsi, Dharwar and Belgaum.

(2) Period:-

The lease period shall be 30 years.

(3) Rates:-
(i) During the first 15 years the rate shall be Rs.24/- (Rs.Twenty four) per tonne of debarked wood.

(ii) at the expiry of the said 15 years i.e., from 16th year onwards the rate shall be subject to revision such that the maximum increase effected over the original rate does not exceed 25% i.e., Rs.30/- (Rs. Thirty) per tonne of debarked wood.

(iii) at the expiry of the twentififth year a further revision could be effected, subject to a ceiling of 50% over the original rate i.e., Rs.36/- (Rs. Thirty six) per tonne of debarked wood.

(iv) the actual revision of rates may be effected by Government after consulting the Company and giving them an opportunity to furnish such data as they may desire to place before Government.

(4) The work of cutting, Debarking, stacking and transport etc., shall be done by the Company.

2. The Chief Conservator of Forests is directed to get the requisite agreement executed by the Company incorporating, among other things, the aforesaid conditions and to take further necessary action in the matter.

3. This order issues with the concurrence of Finance Department vide their U.O.Note No.Secy.F.D.No.6454/69, dated 2.1.1969.

Sd/-S.Balasubramanyan.
U/Secy. to Govt. Agri. & Ft.Deptt.

To

The Chief Conservator of Forests in Mysore, Bangalore.

No.A6.67.567/66-67. Chief Conservator's Office,
Bangalore, Dt.22.2.1970.

Copy to:- 1-5) the Conservators of Forests, Mysore/Bellary/Mercara/Dharwar and Belgaum (2 copies each).
(6-22) the Divisional Forest Officer, Bangalore, Mysore, Kollegal, Kolar, Tumkur, Chamarajanagar, Hunsur, Mercara, Coondapur, Mangalore, Hassan, Yellapur, Karwar, Honnavar, Sirsi, Dharwar and Belgaum (2 copies each): for information and acknowledgement by every one of the officers mentioned above.

"COPY" Sd/- CHIEF CONSERVATOR OF FORESTS.

ANNEXURE- A2.

MYSORE FOREST CORPORATION

Statement showing In-come, Expenditure, Loan, Repayment and Profit/Loss position.

Year.	Revenue.	Total Expenditure.	Amount of loan required.	Interest on loan outstanding and paid during the year.	Surplus available after meeting the interest on borrowed amount (Col.2-5)	Total loan outstanding at the end of the year.	Repayment of loan.	Balance loan outstanding after repayment at end of year.	Net surplus.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
	Lakhs.	Lakhs.	Lakhs.	Lakhs.	Lakhs.	Lakhs.	Lakhs.	Lakhs.	Lakhs.
1970-71.	30-10.	38-05	38-05	2-10	28-00	38.05	-	38-05	-
1971-72.	15-04	43-16	15-16	3-72	11-32	53-21	-	53-21	-
1972-73.	17-55	46-57	35-25	6-19	11-36	88-46	-	88-46	-
1973-74.	30-56	47-98	36-62	8-75	21-81	125-08	21-81	103-27	-
1974-75.	33-03	49-39	49-39	10-68	22-35	152-66	22-35	130-31	-
1975-76.	30-86	52-40	52-40	12-78	18-08	182-71	18-08	164-63	-
1976-77.	37-67	52-21	52-21	15-17	22-49	216-84	22-49	194-35	-
1977-78.	33-90	53-62	53-62	17-35	16-55	247-97	16-55	231-42	-
1978-79.	33-18	55-03	55-03	20-05	13-13	286-45	13-13	273-32	-
1979-80.	33-18	56-44	56-44	23-08	10-10	329-76	10-10	319-66	-
	295-07	494.85							
1980-81.	126-00	35-36	35-36	24-85	101-15	355-02	101-15	253-87	-
1981-82.	110-88	26-96	24-96	19-65	91-23	280-83	91-23	189-60	-
1982-83.	115-52	24-96	24-96	15-01	100-51	214-54	100-51	114-03	-
1983-84.	126-48	24-96	24-96	9-72	116-76	138-99	116-76	22-23	-
1984-85.	128-88	24-96	24-96	3-30	125-58	47-19	-	-	+ 78-39
			579-37	192-40					
1985-86.	126-72	26-56	-	-	-	-	-	-	+ 100-16
1986-87.	133-44	24-96	-	-	-	-	-	-	+ 108-48
1987-88.	129-84	24-96	-	-	-	-	-	-	+ 104-88
1988-89.	129-12	24-96	-	-	-	-	-	-	+ 104-16
1989-90.	129-12	24-96	-	-	-	-	-	-	+ 104-16
	1256-00	263.60							
	1551.07	758.45							

Note:+ The net profit annually from the year 1890-91 to 1900-1901 i.e., the III rotation of the New Plantations would be Rs.75,00,000/-

ANNEXURE- 15

Mysore Forest Corporation

Statement showing the estimated yield and Revenue from the existing Eucalyptus Plantations-proposed to be transferred to the M.S.C.,

Year of formation.	Area in acres.			Estimated yield in tons.	Rate per ton.	Estimated Revenue.	
	Pure .	Mixed.	Trench mound.			Year.	Amount in lakhs.
1.	2.	3.	4.	5.	6.	7.	8.
1960-61.	4132	225	36,512	1,25,446	Rs.24/-	1970-71	30-10
1961-62.	1481	1894	11,465	62,702	-do-	1971-72	15-04
1962-63.	1869	3980	6,684	73,140	-do-	1972-73	17-55
1963-64.	1993	7835	11,905	1,27,332	-do-	1973-74	30-56
1964-65	2560	7247	13,351	1,37,624	-do-	1974-75	33-03
1965-66	2517	6591	11,628	1,28,604	-do-	1975-76	30-86
1966-67	3300	7642	11,117	1,56,980	-do-	1976-77	37-67
1967-68	4127	6136	10,968	1,41,284	-do-	1977-78	33-90
1968-69	3379	8403	5,880	1,38,282	-do-	1978-79	33-18
1969-70	3379	8403	5,880	1,38,282	-do-	1979-80	33-18
				12,29,676		Total:	295.07

Note: In the II rotation from the years 1980-81 to 1989-90, the revenues will be the same as per years 1970-71 to 1979-80. It is expected to be much more as the yield and rate per ton are likely to improve.

BSV.20-7

ANNEXURE- C.

MYSORE FOREST CORPORATION.

Abstradt of expenditure on the plantations to be maintained and raised and maintained.

Year.	Area (in acres)		Cost on the operations in Lakhs.					
	Planting.	Maintenance.	Maintenance & raising of plantations.	Establishment on Head-quarters and field staff.	Establishment on watch and ward.	Other charges.	Furniture vehicles etc.	Total (in lakhs).
1.	2.	3.	4.	5.	6.	7.	8.	9.
1970-71.	20,000	-	27.00	6.86	-	1.09	3.10	38.05
1971-72.	20,000	20,000	34.60	6.86	0.61	1.09	-	43.16
1972-73	20,000	40,000	37.40	6.86	1.22	1.09	-	46.57
1973-74	20,000	60,000	38.20	6.86	1.83	1.09	-	47.98
1974-75	20,000	80,000	39.00	6.86	2.44	1.09	-	49.39
1975-76	20,000	1,00,000	39.80	6.86	3.05	1.09	1.00	52.40
1976-77	20,000	1,20,000	40.60	6.86	3.66	1.09	-	52.21
1977-78	20,000	1,40,000	41.40	6.86	4.27	1.09	-	53.62
1978-79	20,000	1,60,000	42.20	6.86	4.88	1.09	-	55.03
1979-80	20,000	1,80,000	43.00	6.86	5.49	1.09	-	56.44
			383-20				Total. Rs.	494-85.

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ANNEXURE- D

MYSORE FOREST CORPORATION.

Expenditure during II Rotation, 11th year onwards.

Year.	Planting.	II Year maintenance 20,000 acres at:	III Year Maintenance - 20,000 acres at:	Maintenance of remaining 2,60,000 acres at:	Establishment charges.	Charges on watch and ward.	Furniture and vehicles.	Total.
1.	2.	3.	4.	5.	6.	7.	8.	9.
1980-81.	Nil.	Rs.38 = 7,60,000 7.6	Rs.14/- for 20,000 acres Rs.2.8.	Rs.4/- acre 10.40 lakhs.	6.86	6.1	1.6	35.36
1981-82	Nil	Nil.	2.80	2,80,000 acres 11.20	6.86	6.1	Nil.	26.96
1982-83	Nil	Nil	Nil.	3,00,000 acres 12.00	6.86	6.1	Nil.	24.96
1983-84	Nil	Nil	Nil	12.00	6.86	6.1	Nil	24.96
1984-85	Nil	Nil	Nil	12.00	6.86	6.1	Nil	24.96
1985-86	Nil	Nil	Nil	12.00	6.86	6.1	1.6	26.56
1986-87	Nil	Nil	Nil	12.00	6.86	6.1	Nil	24.96
1987-88	Nil	Nil	Nil	12.00	6.86	6.1	Nil	24.96
1988-89	Nil	Nil	Nil	12.00	6.86	6.1	Nil	24.96
1989-90	Nil	Nil	Nil	12.00	6.86	6.1	Nil	24.96
		7.6	5.60	117.60				Rs. 263.60

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ANNEXURE - E

MYSORE FOREST CORPORATION

Cost on Plantation Watchers for maintenance from second year of formation and onwards.

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Annually 40 Watchers are required at the rate of 1 Watcher for every 500 acres of Plantation on pay of Rs. 50-1-60.

Average Pay Rs.56 + D.A. 71/- = 127 per month.

= Rs,60,960 per year.

ABSTRACT

Year	Area	No. of watchers	Expenditure(Rs.)
1970-71	~~80~~	--	--
1971-72	20,000	40	69,960
1972-73	40,000	80	1,21,920
1973-74	60,000	120	1,82,880
1974-75	80,000	160	2,43,840
1975-76	1,00,000	200	3,04,800
1976-77	1,20,000	240	3,65,760
1977-78	1,40,000	280	4,26,720
1978-79	1,60,000	320	4,87,680
1979-80	1,80,000	360	5,48,640
1980-81	2,00,000	400	6,18,600
		Total	Rs.28,13,160

ANNEXURE- I

MYSORE FOREST CORPORATION

Provision for capital expenditure(Furniture and Equipment) in respect of Scheme for Plantation of Fast Growing Species.

Year	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
Particulars.									
I. Furniture and Equipment:									
I(a) Offices rent for Managing Director's Office and other offices.	50,000	-	-	-	-	-	-	-	-
i(b) Office furniture(wooden) @ 6,000/- for each office.	30,000	-	-	-	-	-	-	-	-
ii. -do- (steel and steel self) @ 4,000/- for each office.	20,000	-	-	-	-	-	-	-	-
iii) Type-writer, Head office 3+1 each to Division= 7@ 1,500 each.	10,500/-	-	-	-	-	-	-	-	-
II. IMPLEMENTS:									
i. Purchase of dead stock such as pick-axes. Powrahs, Fans, etc., @ Rs.10,000/- for each Dn., =40,000/-	40,000/-	-	-	-	-	-	-	-	-
III. Vehicles:									
Car for Managing Director @ Rs.25,000/- Purchase of one Van @ 35,000/- and 4 jeeps at Rs.25,000 each.	1,60,000	-	-	-	-	1,60,000/-	-	-	-
Total:	Rs.3,10,500/-					Rs.1,60,000/-	-	-	-

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ANNEXURE- H

MYSORE FOREST CORPORATION

Details of other charges in respect of plantation of fast growing species.

Year.	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
Area(Acres)	20,000	40,000	60,000	80,000	1,00,000	2,20,0	1,40,000	1,60,000	1,80,000	2,00,000	-
Sl.No. Particulars. 1. 2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
GENERAL											
1. Printing Stationery Book & Form @ 5,000/- for each of the office.	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	-
2. Postage, Telegram and Telephones & 5,000/- each.	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	-
3. Contingencies L.S. at 3,000/- each.	15,000/-	15,000/-	15,000/-	15,000/-	15,000/-	15,000/-	15,000/-	15,000/-	15,000/-	15,000/-	-
4. Audit Fees.	1,000/-	1,000/-	1,000/-	1,000/-	1,000/-	1,000/-	1,000/-	1,000/-	1,000/-	1,000/-	-
5. Rent of building @ Rs. 300/- P.M. for 5 offices.	18,000/-	18,000/-	18,000/-	18,000/-	18,000/-	18,000/-	18,000/-	18,000/-	18,000/-	18,000/-	-
6. Running and maintenance and repairs of vehicles @ 5,000/- each.	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	-
Total:	1,09,000/-	1,09,000/-	1,09,000/-	1,09,000/-	1,09,000/-	1,09,000/-	1,09,000/-	1,09,000/-	1,09,000/-	1,09,000/-	-

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ANNEXURE- G.

Statement showing the cost of Establishment of a Division - Mysore Forest Corporation.

Sl. No.	Category Post.	Nos.	Pay Scales.	Average cost per month each			Total per year.	Remarks.
				Pay.	D.A.	Total.		
1.	Divisional Forest Officer.	1.	500-30-650-40-850-EB-50-1000.	788-8/9.	120-00.	908-00.	10,896-00.	
2.	Asst. Conservator of Forests.	1.	300-25-550-EB-30-700.	522-2/9.	140-00.	662-00.	7,944-00.	
3.	Range Forest Officer.	4.	160-8-200-10-260-EB-15-350.	261-1/3.	146-00.	407-00.	19,536-00.	
4.	Foresters.	8.	90-3-105-4-145-EB-5-200.	147-2/3.	98-00.	245-00.	23,530-00.	
5.	Guards.	12.	65-1-75-2-95.	75.	71-00.	146-00.	21,024-00.	
6.	Watchers.	10.	-do-	75.	71-00.	146-00.	17,520-00.	
7.	Surveyor I Gr.	1.	175-10-275-15-350-EB-20-450.	312½	146-00	458-00.	5,496-00.	
8.	Superintendent II Gr.	1.	175-10-275-15-350-EB-20-450.	312½	146-00.	458-00.	5,496-00.	
9.	II Dn. Clerks.	2.	90-3-105-4-145-EB-5-200.	134.	98-00.	232-00.	5,568-00.	
10.	Typist.	1.	-do- Special Pay Rs.15/-	134.	98-00.	232-00.	9,964-00.	
11.	Peons.	7.	65-1-75-2-95.	75.	71-00.	146-00.	12,264-00.	
12.	Jeep Driver.	1.	80-2-90-2-120-4-140-5-145.	111-7/9.	98-00.	209-00.	2,508-00.	
						Total.	1,34,736-00 x 4 Divisions	
							5,38,944/-	

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ANNEXURE- F

Statement showing the cost of Headquarters staff of the Mysore Forest Corporation.

Sl. No.	Category of post.	Nos.	Pay scale.	Average cost per month each. Pay.	D.A.	HRA.	CCA.	Total.	Total cost per year.	Remarks.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
1.	Managing Director of the Status of the CCF.	1.	2000-125-2250.	2216	100	-	-	2316	27,792-00.	-
2.	General Manager of the Status of the C.F.	1.	1300-50-1800.	1075	100	-	-	1175	14,100-00.	-
3.	Secretary-cum-Financial Assistant.	1.	700-40-1100-1150 etc., 1250.	929	120	-	-	1049	12,588-00.	-
4.	Office Manager (Gazetted).	1.	275-20-375-EB-25-550.	513 1/3.	150	9-15	7-00	679-50.	8,154-00.	-
5.	Superintendent Gr.I.	1.	200-10-280-15-370-EB-20-540.	333 1/3.	146	19-90	13-30	512.50	6,150-00.	-
6.	Superintendent Gr.II.	1.	175-10-275-15-350-EB-20-450.	312½.	146	18-70	12-50	489-70	5,876-40	-
7.	First Division Clerk.	4.	130-5-150-8-190-EB-10-210-15-290.	215 1/3.	146	12-90	10-75	405-00	19,440-00.	-
8.	Steno-Typist.	1.	-do- + Special Pay Rs.30/-	215 1/3.	146	12-90	10-75	405-00	4,860-00.	-
9.	Second Division Clerks.	6.	90-3-105-4-145-EB-5-200.	134	98	10-05	6-70	248-75	17,910-00.	-
10.	Typists.	2.	-do- + Special Pay Rs.15/-	134	98	10-05	6-70	248-75	11,970-00.	-
11.	Draughtsman I Gr.	1.	175-10-275-15-330-EB-20-450.	312½	146	18-70	12-50	489-70	5,877-40.	-
12.	Van Driver.	1.	80-2-90-100-120-4-140-5-145.	111 7/9.	98	8-30	5-55	223-35	2,580-20	-
13.	Peons.	4.	65-1-75-2-95.	75	71	7-50	5-00	158-50	9,608-00	-
									1,47,006-20.	

ANNEXURE- J.

MYSORE FOREST CORPORATION.

Statement showing the amount of loan and interest.

Year.	Amount of loan in lakhs.	Cumulative loan in lakhs.	Amount of interest at 7%(S.I.) in lakhs.
1.	2.	3.	4.
1970-71.	38.05	38.05	2.10
1971-72.	15.16	53.21	3.72
1972-73.	35.25	88.46	6.19
1973-74.	36.62	125.08	8.75
1974-75.	49.39	152.66	10.68
1975-76.	52.40	182.71	12.78
1976-77.	52.21	216.84	15.17
1977-78.	53.62	247.97	17.35
1978-79.	55.03	286.45	20.05
1979-80.	36.44	329.76	23.08
1980-81.	35.36	355.02	24.85
1981-82.	24.96	280.83	19.65
1982-83.	24.96	214.54	15.01
1983-84.	24.96	138.99	9.72
1984-85.	24.96	47.19	3.30
	579.37		192.40

Total to be re-paid

Loan.	579.37 lakhs.
Interest.	192.40 "
	769.77

or say Rs.7.7 Crores.

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Sl. No. 23 AFD 5429 FA 70 P. 86 20/7/70

No. DPT. 51. PASF. 127/69-70.
with Encl.,

Office of the
Conservator of Forests, Working Plans
and Development Circle, Bangalore,
Dated: 15th July, 1970.
16 52

To

The Secretary to the Government,
Agriculture & Forest Department,
Bangalore.

28403

Sir,

~~28225~~

Sub:- Formation of the Mysore State Forest Corporation.

G. & L. SECTION
A.G.F.D.
No.
Date 17 JUL 1970
Section

As instructed by you during the meeting held in your Chambers on 7.7.1970, draft proposals are formulated for the scheme to raise 20,000 acres of Eucalyptus and Bamboo Plantations annually, during the next ten years, by the proposed Mysore State Forest Corporation.

2. The Corporation will have to be got registered as a "Private Company" under the Companies Act 1956, and will have it's registered head office at Bangalore.

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3. The Corporation shall obtain the amount required for its expenditure for the years 1970-71 to 1984-85, the total borrowing being Rs.5.8 crores.

4. Interest is payable right from the first year at 7% (simple interest) annually, till 1984-85, the total interest to be so paid being Rs.1.92 crores. From 1985-86 onwards, the Corporation will be making a net profit of Rs.1.00 crore. Out of this surplus, about Rs.50,00,000 are proposed to be set apart annually for the development of degraded forests, where economically important species would be raised.

5. The affairs of the Corporation will be managed by a Board of Directors, made up as follows:-

1. The Hon'ble Minister for Forests .. Chairman
2. The Development Commissioner .. Vice-chairman.

3.	Special Officer of the Status of a Chief Conservator of Forests.	.. Managing Director.
4.	Chief Conservator of Forests (General)	.. Director.
5.	Chief Conservator of Forests (Development).	.. Director.
6.	Secretary to Government Agriculture & Forest Department	.. Director.
7.	Secretary to Government, Finance Department.	.. Director.
8.	Secretary to Government, Industries & Commerce Department	.. Director.
9.	A leading member of the Forest based Industry (viz., Pulp, Paper & Rayon).	.. Director.
10.	One member of legislative Assembly	.. Director.
11.	One Member of legislative council	.. Director.
12.	An Officerof the status of a Divisional Forest Officer.	.. Secretary.

6. In order to attend to the preliminary work involved in finalising, the memorandum of association and getting the Corporation Registered and to attend to all other activities incidental to the formation and fixing of the Corporation, I request that Government may be moved to create immediately the post of a Special Officer of the status of a Conservator of Forests, (which post will subsequently merge with that of the General Manager of the Corporation) in the I.F.S. grade of Rs.1300-50-1800,with one Stenographer on Rs.130-5-150-8-190-EB.10-260-15-290 (plus a special pay of Rs.30/-) for a period of 6 months or untill the Corporation is formed, whichever is earlier. The recurring expenditure on this for 6 months will be (i) Rs.12,660/- by way of pay of Officers and (ii) Rs.9,340/- by way of T.A. etc., plus other charges. Sanction may also be accorded for a preliminary expenditure of (iii) Rs.53,000/- to be incurred for registering the Corporation, under the

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Companies Act, as per details indicated below:

Registration Fees.	Rs.50,000/-
Fees to be paid while filling documents.	Rs. 300/-
Court fee stamps.	Rs. 500/-
Printing charges.	Rs. 600/-
Scrutiny of documents by Chartered Accountant	Rs.1,000/-
Miscellaneous Expenditure	Rs. 600/-
	Rs.53,000/-

Total amount to be sanctioned at present is:

(i) Pay of Officers.	Rs.12,660/-
(ii) T.A. etc., other charges	Rs. 9,340/-
(iii) Registration Fees etc.	Rs.53,000/-
Total	Rs.75,000/-

This expenditure may be debited to a new head of Account to be opened under "70.Forest-b-Conservancy and Works - f - Development Schemes - C.Forest Organisation of Mysore State Forest Corporation" and would be reimbursed to Government by the Corporation if the Government so desires.

Further orders and instructions are awaited.

Yours faithfully,

(V.N.Nadgir)
Conservator of Forests,
Working Plans & Development Circle,
Bangalore.

Copy submitted for favour of information to the Chief Conservator of Forests (1) General and (2) Development for favour of information.

rs/

Copy submitted to the Development Commissioner, Government of Mysore in quadruplicate for further necessary action.

SALIENT FEATURES OF THE PROPOSAL REGARDING THE FOREST CORPORATION

(1) To raise 2.0 lakhs acres of plantations of Eucalyptus and other species to produce raw material to the tune of 40.00 lakh tons.

(2) The existing plantations of 1.10 lakh acres, so far raised with a potential of 20.20 lakh tons will also be included in the Corporation.

(3) Total outlay of the project (7.56) crores. (Rs 24.30 ‡ 3.65 crores. Land value). 2.95 Rs Rem Material.

(4) Total amount proposed to be raised as loan from A R C or Banks is 5.80 crores.

(5) Intrest at 7% will be repayable from the 1st year out of harvesting of plantations already raised.

(6) Intrest and part of loan, repayable from the 4th year.

(7) The entire loan of 5.80 crores will be cleared at the end of 15th year.

(8) From the fifteenth year onwards, 50% of the profits approximately Rs.50 lakhs can be diverted for improvement of the degraded forests. An area of 20,000 acres will be rehabilitated in the dry zone with economic species like Tamarind, Honge, Bevu and tanbark yielding species which will be on a more intensive scale than what is being done now.

(9) Share capital of Government will be the 1.10 lakh acres of plantations already raised and the 2.0 lakh acres of land on which the Corporation proposes to raise these plantations.

(10) For ten years- From 1970-71, the quantity of raw material to be supplied will be approximately 1.50 lakh tons a year. From 1980-81 onwards it will be 5.50 lakh tons per year. This would ensure adequate raw material for the existing and proposed pulp plants.

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DRAFT OUTLINE FOR THE MYSORE STATE FOREST CORPORATION

(1) Object: It is proposed to raise and maintain large scale plantations of species like Eucalyptus, Bamboos and other species suitable for paper and pulp and for the supply of raw-materials for pulp and rayon industry in Mysore.

As and when the financial position of the Corporation permits, it is proposed to utilise part of the profits and plough it back for the development of the degraded forest areas in the maidan districts.

(2) Area of operation: It is proposed to take-up these plantations over the entire State within the rainfall belt of 40" to 80". This tract will be found distributed in the Western parts of Belgaum, North Kanara, Shimoga, Chikkamagalur, Mysore, South Kanara and Coorg Districts.

(3) Assets:

(a) It is proposed to transfer all the existing Eucalyptus plantations raised from the years 1960-61 to 1969-70 to the extent of about 1,25,000 acres to the Corporation. The Corporation shall be free to utilise the existing Eucalyptus growth for the supply of raw materials to the industries and out of this income to clear the ~~xxxxxx~~ interest that accrues on the loans raised by the Corporation.

(b) Annually 20,000 acres of forests from the above tract have to be clear-felled in the districts mentioned already. The cleared areas shall be handed-over to the Corporation for raising Eucalyptus and Bamboo plantations. Over a period of 10 years, the extent so transferred shall be 2 lakhs of acres from the State Forests that are under the control of the Forest Department. Including the already existing plantations, 3 lakh acres of plantations would be the potential, at the age of 10 years, yielding about 60 lakh tons of raw materials for the pulp and rayon industries. After the cleared areas are handed-over by the Forest Department, the Corporation shall be solely responsible for future works in the areas, in respect of:- (1)Raising of nurseries, (2)Raising of plantations, (3)Maintenance of plantations, and (4)harvesting of the existing 1 lakh and ~~xxxxxxx~~ odd acres of Eucalyptus plantations and plantations raised by the Corporation. It is proposed to take over these areas in a phased programme so that, the expenditure on the extablishment of watch and ward, could be kept to the minimum.

The technique that would be adopted for raisigg Eucalyptus and Bamboo plantations, will be the most recent one as followed by the Forest Department, to obtain the best possible results.

(4) Cost of raising Plantations:- The cost of cultivation i.e., formation and maintenance per acre excluding staff, watch and ward and other charges is as under:-

(1) First year planting - Rs.135/- per acre.
(2) Second year maintenance - Rs.38/- per acre.
(3) Third year maintenance - Rs.14/- per acre.
(4) 4th year onwards - Rs.4/- per acre.

(5) Staff:- 1. At Head-quarters: The expenditure on the staff at the Head-quarters of the Corporation per year is estimated to be Rs.1,47,000-00. Details are indicated in Annexure-A. The field staff which is required for the four different divisions, which are the major units of working, is estimated to be Rs.1,34,736/- per unit and is, as shown in Annexure-B.

It is contemplated that each unit will be responsible for raising plantations over 5,000 acres annually. The unit will also be in charge of the exploitation of the existing Eucalyptus plantations and supply of raw-materials to the industries.

The Head-quarters of the Corporation will be located at Bangalore with it's Managing Director who will be of the rank of the Chief Conservator of Forests.

(6) Government contribution to the share capital; shall be as under in the first instance:

(1) The esisting Eucalyptus plantations over an extent of 1,10,000 Acres at the rate of Rs.150/- per acre= Rs.1,65,00,000/-

(2) Land value of 20,000 acres at Rs.100/- per acre= Rs.20,00,000/-

Total Rs.1,85,00,000/-

This amount shall be increasing at the rate of 20 lakhs per year till the end of 10th year, when it shall be 3.65 crores.

(7) Revenue and Expenditure:- The only source of revenue for the Corporation is the existing Eucalyptus plantations which will be yielding on an average about Rs.30 lakhs per

Contd. on page No.3.

year, and over a period of first 10 years it is estimated that a revenue of Rs.295.07 lakhs will be realised(Annexure-C)

The expenditure on account of raising new plantations or for maintaining existing plantations, staff and equipment is estimated at about Rs.49.5 lakhs per year on an average, giving a total expenditure of 494.85 lakhs, over a period of first 10 years, details are shown in Annexure-E.1. However, the expenditure for the next 10 year period i.e., from 1980-81- to 1989-90 has been estimated at 261.6 lakhs. Annexure-E.2. The expenditure on other charges, works-out to Rs.1.09 lakhs per year and the details are shown in Annexure-F. The expenditure on furniture and equipment is Rs.3,10,500/- and expenditure on vehicles is provided once after every 5 years, as shown in Annexure-G. To meet this heavy expenditure, it shall be necessary to raise a loan to the extent of Rs.5.80 crores and to pay a simple interest at the rate of 7%, amounting to Rs.192.40 lakhs, vide Annexure-H. The interest due on the loan shall be payable right from the first year, where-as the re-payment of the loan shall beging from the 4th year onwards. The Corporation will not be in a position to make any profit till the 15th year when it would be in a position to pay all the outstanding loan and interest in full, amounting to Rs.47.19 lakhs and also earn a surplus revenue of Rs.78.39 lakhs. From the year 1985-86, onwards, the financial position of the Corporation will be very sound, in that, the profits will amount to nearly a crore of Rs. annually. From 1986-87, it would be possible to invest part of the earned net profits towards other developmental activities. The details of income, expenditure, loan repayment, and profit and loss, position are shown in the Statement vide Annexure-H and I.

ANNEXURE-A

Statement showing the cost of Headquarters staff of the Plantation Corporation.

Sl. No.	Category of Post.	Nos.	Pay Scale.	Average cost per month each					Total cost per year.	Remarks.
				Pay.	D.A.	HRA.	CCA	Total		
1	2	3	4	5	6	7	8	9	10	11
1.	Managing Director of the Status of the CCF.	1.	2000-125-2250.	2216	100	-	-	2316	27,792-00	
2.	General Manager of the Status of C.F.	1.	1300-50-1800	1075	100	-	-	1175	14,100-00	
3.	Secretary.	1.	700-40-1100-1150 etc.,1250	929	120	-	-	1049	12,588-00	
3a.	Financial Asst.		400-30-640-EB-40-800-50-950.							
4.	Office Manager, (Gazetted)	1.	275-20-375-EB-25-550.	513-1/3	150	9-15	7-00	679-50	8,154-00	
5.	Superintendent Grade I.	1.	200-10-280-15-370-EB-20-540	333-1/3	146	19-90	13-30	512-50	6,150-00	
6.	Superintendent Grade II.	1.	175-10-275-15-350-EB-20-450.	312½	146	18-70	12-50	489-70	5,876-40	
7.	I Division Clerk	4	130-5-150-8-190-EB-10-210-15-290	215-1/3	146	12-90	10-75	405-00	19,440-00	
8.	Steno Typist	1	-do- Special Pay Rs.30/-	215-1/3	146	12-90	10-75	405-00	4,860-00	
9.	II Dn. Clerks.	6	90-3-105-4-145-EB-5-200	134	98	10-05	6-70	248 -75	17,910-00	
10.	Typists.	2.	-do- + Special pay Rs.15/-	134.	98	10-05	6-70	248-75	11,970-00	
11.	Draughtsman I Gr.	1.	175-10-275-15-350-EB-20-450.	312½	146	18-70	12-50	489-70	5,877-40	
12.	Van Driver.	1	80-2-90-3-120-4-140-5-145.	111 7/9	98	8-30	5-55	223-35	2,580-20	
13.	Peons.	4.	65-1-75-2-95.	75.	71	7.50	5-00	158-50	9,608-00	1,47,006-20

ANNEXURE -B

Statement shwoing the cost of Establishment of a Division.

Sl. No.	Category of Post.	Nos.	Pay Scales.	Average cost per month each			Total per year.	Remarks.
				Pay.	D.A.	Total		
1.	Divisional Forest Officer.	1.	500-30-650-40-850-EB-50-1000	788-8/9	120-00	908-00	10,896-00	
2.	Asst. Conservator of Forests.	1.	300-25-550-EB-30-700.	522-2/9	140-00,	662-00	7,944-00	
3.	Range Forest Officer	4	160-8-200-10-260-EB-15-350.	261-1/3	146-00	407-00	19,536-00	
4.	Foresters.	8.	90-3-105-4-145-EB-5-200	147-2/3	98-00	245-00	23,530-00	
5.	Guards	12.	65-1-75-2-95	75-00	71-00	146-00	21,024-00	
6.	Wathcers	10.	-do-	75-00	71-00	146-00	17,520-00	
7.	Surveyors I Gr.	1	175-10-275-15-350-EB-20-450.	312½	146-00	458-00	5,496-00	
8.	Superintendent	1.	175-10-275-15-350-EB-20-450.	312½	146-00	458-00	5,496-00	
9.	II Dn. Clerks.	2	90-3-105-4-145-EB-5-200	134-00	98-00	232-00	5,568-00	
10.	Typist	1	-do- Special Pay Rs.15/-	134-00	98-00	232-00	9,964-00	
11.	Peons.	7	65-1-75-2-95	75-00	71-00	146-00	12,264-00	
12.	Jeep Driver	1	80-2-90-3-120-4-140-5-145.	11-7/9	98-00	209-00	2,508-00	
						Total	1,34,736-00	x 4 Divisions.
							5,38,944/-	

ANNEXURE - C.

Statement showing the estimated yield and Revenue from the existing Eucalyptus Plantations - proposed to be transferred to the M.S.F.C.

Year of formation.	Area in acres. Pure	Mixed.	Trench mound.	Estimated yield in tons.	Rate per ton.	Estimated Revenue Year	Amount in lakhs.
1	2	3	4	5	6	7	8
1960-61	4132	225	36,512	1,25,446	Rs.24/-	1970-71	30-10
1961-62	1481	1894	11,465	62,702	-do-	1971-72	15-04
1962-63	1869	3980	6,684	73,140	-do-	1972-73	17-55
1963-64	1993	7835	11,905	1,27,332	-do-	1973-74	30-56
1964-65	2560	7247	13,351	1,37,624	-do-	1974-75	33-03
1965-66	2517	6591	11,628	1,28,604	-do-	1975-76	30-86
1966-67	3300	7642	11,117	1,56,980	-do-	1976-77	37-67
1967-68	4127	6136	10,968	1,41,284	-do-	1977-78	33-90
1968-69	3379	84-03	5,880	1,38,282	-do-	1978-79	33-18
1969-70	3379	84-03	5,880	1,38,282	-do-	1979-80	33-18
						Total.	295-07

Note:- In the II rotation from the years 1980-81 to 1989-90, the revenues will be the same as per years 1970-71 to 1979-80. It is expected to be much more as the yield and rate per ton are likely to improve.

hSgaikwad.

62 P.76

A N N E X U R E - D.

Cost of Plantation Watchers for each of the year for maintenance from second year of formation and onwards.

-ooo-

Annually 40 Watchers are required at the rate of 40 Watchers for every 500 acres of Plantation on pay of Rs.50-1-60.

Average Pay Rs.56 + D.A. 31/- = 127 per month

= Rs.60,960 per year

A B S T R A C T

Year	No. of Watchers	Expenditure (Rs.)
1970-71	-	-
1971-72	40	60,960
1972-73	80	1,21,920
1973-74	120	1,82,880
1974-75	160	2,43,840
1975-76	200	3,04,800
1976-77	240	3,65,760
1977-78	280	4,26,720
1978-79	320	4,87,680
1979-80	360	5,48,640
	Total	27,43,200

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hS gaikwad.

ANNEXURE - E-1.

Mysore State Forest Corporation.

Abstract of expenditure on the plantations to be maintained and raised and maintained.

Year.	Area (in acres).		Cost on the operations in Lakhs					
	Planting.	Maintenance.	Maintenance & raising of plantations.	Establishment on Headquarters and field staff (A & B).	Establishment on watch and ward. (D)	Other charges (An.F^M).	Furniture vehicles etc. (G).	Total (in lakhs).
1	2	3	4	5	6	7	8	9
1970-71	20,000	-	27.00	6.86	-	1.09	3.10	38.06
1971-72	20,000	20,000	34.60	6.86	0.61	1.09	-	43.16
1972-73	20,000	40,000	37.40	6.86	1.22	1.09	-	46.57
1973-74	20,000	60,000	38.20	6.86	1.83	1.09	-	47.98
1974-75	20,000	80,000	39,00	6.86	2.44	1.09	-	49.39
1975-76	20,000	1,00,000	39.80	6.86	3.05	1.09	1.60	52.40
1976-77	20,000	1,20,000	40.60	6.86	3.66	1.09	-	52.21
1977-78	20,000	1,40,000	41.40	6.86	4.27	1.09	-	53.62
1978-79	20,000	1,60,000	42.20	6.86	4.88	1.09	-	55.03
1979-80	20,000	1,80,000	43.00	6.86	5.49	1.09	-	56.44
							Total. Rs.	494.85

P.74

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ANNEXURE -E-2.

EXPENDITURE DURING II ROTATION 11TH YEAR ONWARDS.

Year.	Planting	II Year Maintenance 20,000 acres at:	III Year Maintenance 20,000 acres at:	Maintenance of remaining 260000 acres at:	Establishment charges.	Charges on watch and ward.	Furniture and vehicle.	Total
1	2	3	4	5	6	7	8	9
1980-81	Nil	Rs.38 = 760000 - 7.6	Rs.14/- for 20000 acres Rs.2.8	Rs.4 - 10.40 Lakhs.	6.86	6.1	1.6	35.36
1981-82	Nil	Nil	2.80	2,[illegible],000 acres 11.20	6.86	6.1	Nil	26.96
1982-83	Nil	Nil	Nil	3,00,000 acres 12.00	6.86	6.1	Nil	24.96
1983-84	Nil	Nil	Nil	12.00	6.86	6.1	Nil	24.96
1984-85	Nil	Nil	Nil	12.00	6.86	6.1	Nil	24.96
1985-86	Nil	Nil	Nil	12.00	6.86	6.1	1.6	24.96
1986-87	Nil	Nil	Nil	12.00	6.86	6.1	Nil	24.96
1987-88	Nil	Nil	Nil	12.00	6.86	6.1	Nil	24.96
1988-89	Nil	Nil	Nil	12.00	6.86	6.1	Nil	24.96
1989-90	Nil	Nil	Nil	12.00	6.86	6.1	Nil	24.96
							Rs.	261.60

hSgaikwad.

ANNEXURE - 'F'

MYSORE STATE FOREST CORPORATION.

DETAILS OF OTHER CHARGES IN RESPECT OF PLANTATION OF FAST GROWING SPECIES.

Year	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
Area (Acres)	20,000	40,000	60,000	80,000	1,00,000	1,20,000	1,40,000	1,60,000	1,80,000	2,00,000	—
SlNo. Particulars 1 2	3	4	5	6	7	8	9	10	11	12	13
General											
1. Printing Stationery Book & Form @ 5,000/- for each of the office.	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	
2. Postage, Telegram and Telephones @ 5,000/- each.	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	
3. Contingencies L.S. at 3,000/- each.	15,000/-	15,000/-	15,000/-	15,000/-	15,000/-	15,000/-	15,000/-	15,000/-	15,000/-	15,000/-	
4. Audit Fees.	1,000/-	1,000/-	1,000/-	1,000/-	1,000/-	1,000/-	1,000/-	1,000/-	1,000/-	1,000/-	
5, Rent of buildings @ Rs.300/- P.M. for 5 offices.	18,000/-	18,000/-	18,000/-	18,000/-	18,000/-	18,000/-	18,000/-	18,000/-	18,000/-	18,000/-	
6. Running and maintenance and repairs of vehicles @ 5,000/- each.	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	25,000/-	
TOTAL ..	1,09,000/-	1,09,000/-	1,09,000/-	1,09,000/-	1,09,000/-	1,09,000/-	1,09,000/-	1,09,000/-	1,09,000/-	1,09,000/-	

hSgaikwad.

ANNEXURE - 'G'

MYSORE STATE FOREST CORPORATION.

PROVISION FOR CAPITAL EXPENDITURE (FURNITURE AND EQUIPMENT) IN RESPECT OF SCHEME FOR PLANTATIONS OF FAST GROWING SPECIES.

Year	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79
Particulars.									
I. Furniture and Equipment:									
i.(a) Offices rent for Managing Director's office and other offices.	50,000/-	-	-	-	-	-	-	-	-
i.(b) Office furniture(wooden @ 6,000/- for each office.	30,000/-	-	-	-	-	-	-	-	-
ii. -do- steel and steel self @ 4,000/- for each office.	20,000/-	-	-	-	-	-	-	-	-
iii. Typewriter, Head office 3 + 1 each to Division = 7 @ 1,500/- each.	10,500/-	-	-	-	-	-	-	-	-
II. IMPLEMENTS:									
i. Purchase of dead stock such as pick-axes. Powrahs, Fans etc. @ Rs.10,000/- for each Dn. = 40,000/-.	40,000/-	-	-	-	-	-	-	-	-
III. VEHICLES:									
Car for Managing Director @ Rs.25,000/- .	~~25,000/-~~	-	-	-	-	-	-	-	-
Purchase of one Van @ 35,000/- and 4 jeeps at Rs.25,000/- each.	1,60,000/-	-	-	-	-	1,60,000/-	-	-	-
TOTAL ...	3,10,500/-	-	-	-	-	1,60,000/-	-	-	-

hSgaikwad.

ANNEXURE "H"

Mysore State Forest Corporation

Statement showing In-come, Expenditure, Loan, Repayment and Profit/Loss position.

Year.	Revenue.	Total Expenditure.	Amount of loan required.	Interest on loan outstanding.	Surplus available after meeting the Interest on borrowed amount (Col.2-5)	Total loan outstanding at the end of year.	Repayment of loan.	Balance loan outstanding after repayment at end of year.	Net surplus.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
~~1970-71.~~	Lakhs.	?Lakhs.	Lakhs	Lakhs	Lakhs	Lakhs	Lakhs	Lakhs	Lakhs
1970-71.	30-10	38.05	38.05	2.10	28.00	38.05	-	38.05	-
1971-72.	15.04	43.16	15.16	3.72	11.32	53.21	-	53.21	-
1972-73.	17.55	46.57	35.35	6.19	11.36	88.46	-	88.46	-
1973-74	30.56	47.98	36.62	8.75	21.81	125.08	21.81	103.27	-
1974-75	33.03	49.39	49.39	10.68	22.35	152.66	22.35	130.31	-
1975-76	30. 86	52.40	52.40	12.78	18.08	182.71	18.08	164.63	-
1976-77	37.66	52.21	52.21	15.17	22.49	216.84	22.49	194.35	-
1977-78	33.90	53.62	53.62	17.35	16.55	247.97	16.55	231.42	-
1978-79	33.18	55.03	55.03	20.05	13.13	286.45	13.13	273.32	-
1979-80	33.18	56.44	56.44	23.08	10.10	329.76	10.10	319.66	-
1980-81	126-00	35.36	35.36	24.85	101.15	355.02	101.15	253.87	-
1981-82	110.88	24.96	24.96	19.65	91.23	280.83	91.23	189.60	-
1982-83	115.52	24.96	24.96	15.01	100.51	214.54	100.51	114.03	-
1983-84	126.48	24.96	24.96	9.72	116.76	138.99	116.76	22.23	-
1984-85	128.88	24.96	24.96	100.30	125.58	47.19	47.19	-	+ 78.39
1985-86	126.72	26.56	666 579.37	-	-	-	-	-	+ 100.16
1986-87	133.44	24.96	-	-	-	-	-	-	+ 108.48
1987-88	129.84	24.96	-	-	-	-	-	-	+ 104.88
1988-89	129.12.	24.96	-	-	-	-	-	-	+ 104.16
1989-90	129.12	24.96	-	-	-	-	-	-	+ 104.16
	1,551.04	756.47							

Note: The net profit annually from the year 1890-91 to 1900-1901 i.e., the III rotation of the New Plantations would be Rs.75,00,000.

BSV.15-7'

ANNEXURE - I

MYSORE STATE FOREST CORPORATION.

STATEMENT SHOWING THE AMOUNT OF LOAN AND INTEREST.

Year.	Amount of loan in lakhs.	Cumulative loan in lakhs.	Amount of interest at 7% (S. I.) in lakhs.
1970-71	38.05	38.05	2.10
1971-72	15.16	53.21	3.72
1972-73	35.25	88.46	6.19
1973-74	36.62	125.08	8.75
1974-75	49.39	152.66	10.68
1975-76	52.40	182.71	12.78
1976-77	52.21	216.84	15.17
1977-78	53.62	247.97	17.35
1978-79	55.03	286.45	20.05
1979-80	56.44	329.76	23.08
1980-81	35.36	355.02	24.85
1981-82	24.96	280.83	19.65
1982-83	24.96	214.54	15.01
1983-84	24.96	138.99	9.72
1984-85	24.96	47.19	3.30
	579.37		192.40

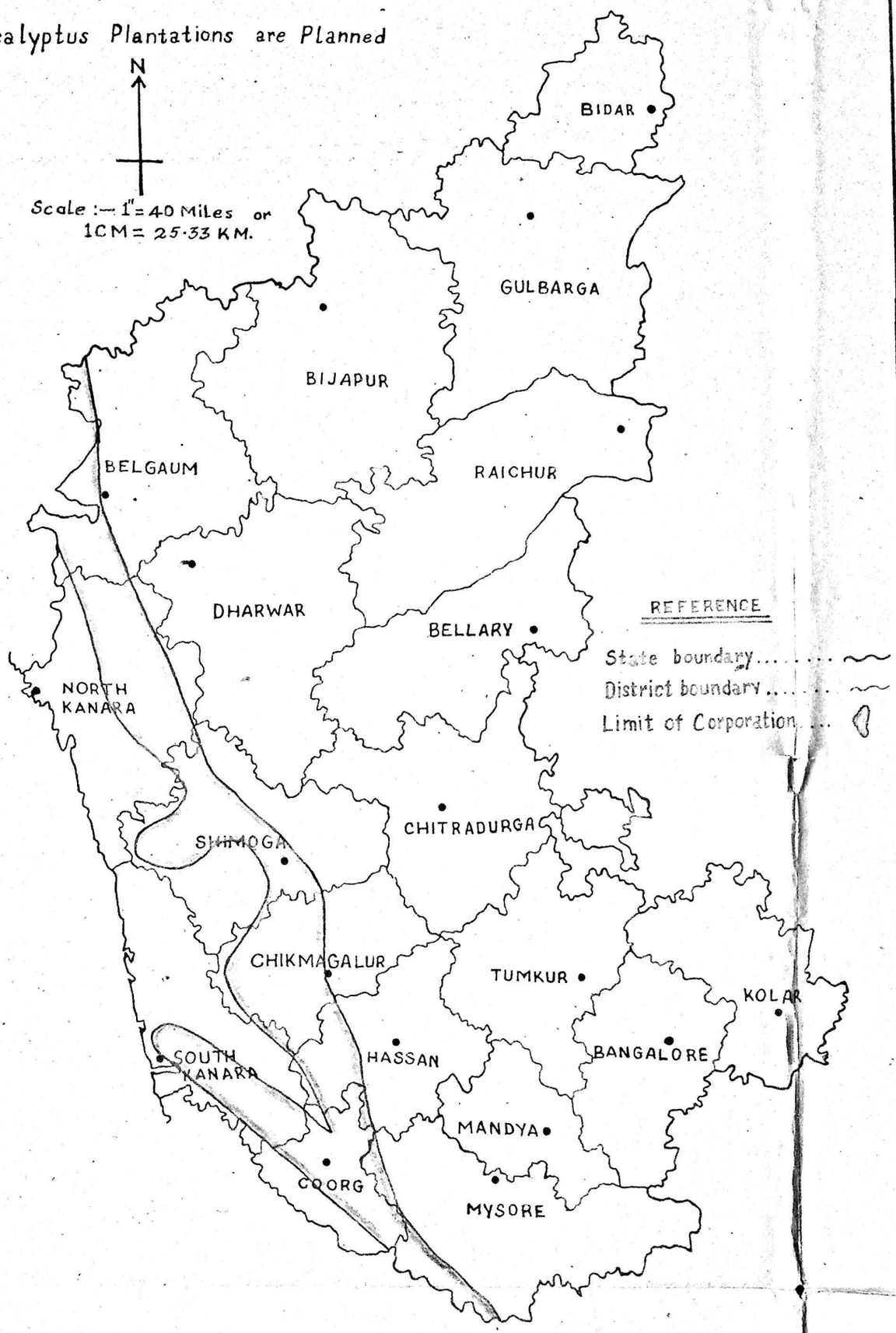
Total to be repaid

Loan	...	...	579.37 Lakhs
Interest	...	....	192.40 "
			769.77

or say Rs.7.7. Crores.

PLANTATION CORPORATION

Map of Mysore Showing areas Where Eucalyptus Plantations are Planned



Prepared by:—
B. Shivanna. (Draughtsman)

70

MYSORE GOVERNMENT SECRETARIAT

I'll keep a copy of this letter on our file & return original to Sir Madgavkar

CP 8/7

DS (PH).

Make out a copy of the letter, which may be placed on our file.

9/7/20.

CP 9/7 Original sent to Mr. Madgavkar. This may be kept in the file as ordered above.

71 AFD 5258 FA 70 P. 68
13/7/70

Stadium House , Block-2 6th Floor
Registered Office:
81-83 Veer Nariman Road
Bombay-20.

AGRICULTURAL
FINANCE CORPORATION
LIMITED

Telephone: 29 85 48/ 29 85 19 Telegram: AGFINCORP

B.RUDRAMOORTHY
MANAGING DIRECTOR

Dy. Secy., A & B
No. 1401 · (A) · 10/7/70

AFC:BR:70/2832

June 19, 1970

Shri V.N.Nadgir, B.Sc.(Hons)A.I.F.C.
Conservator of Forests,
Working Plans & Development Circle,
BANGALORE-1.

Dear Shri Nadgir,

Please refer to the discussions we had in your room on Saturday, the 6th June 1970 regarding the Forest Corporation and preparation of a bankable proposal for obtaining finance from the Agricultural Finance Corporation Ltd.

The revised note which you handed over to me at that time has now been gone through by us. The following are some of our preliminary observations:

1. The objective of the Forest Corporation has not been clear. Whether the Forest Corporation is primarily intended to produce pulp wood to fee the paper mills in the State, or whether the Forest Corporation is to take over the development activities of the Forest Department ? If it is latter, it is extremely difficult for a commercial Financing Institution to finance the development activities. If it is former, I am quite sure it is possible to work out a bankable scheme after reconsideration of the technical and economic aspects which have been incorporated in the statement.

2. Inclusion of plantations activities in the Dry Deciduous and Scrub Forests would deviate from the major objective of developing Eucalyptus plantations. Moreover, the economic plantations you have planned to include in the proposal cover a wide range of economic trees like tamarind, cashew, teak etc. The return on investment on these plantations is bound to be long spread for obvious reasons and the Financing Institutions would certainly not be interested in supporting such a venture.

In view of the above, I would request you to confine, for the present, to the development of Eucalyptus and bamboo plantations primarily as a source of raw materials for the paper industry, and submit a commercially bankable scheme. We shall certainly give our due consideration when this is received.

Thanking you and with kind regards,

Yours sincerely,

Sd/-
B.rudramoorthy /copy/

d/

72 P.67

Stadium House , Block-2 6th Floor
Registered Office:
81-83 Veer Nariman Road
Bombay-20.

AGRICULTURAL
FINANCE CORPORATION
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Telephone: 29 85 48/ 29 85 19 Telegram: AGFINCORP

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Thanking you and with kind regards,

Yours sincerely,

Sd/-
B.rudramoorthy /copy/

AFD 4968 FA 70 Sl. No. 22 P. 66

1/7/70. 73

No. CCF(Dev) D/163/69-70

Office of the
Chief Conservator of Forests
(Development),
Bangalore-3: Dt: 25th June 1970.

To

The Secretary to Government,
Agri. & Forest Department,
Bangalore.

Sir,

Sub:- Proposal for the formation of the Mysore Forest Development Board.

Ref:- This office letter of even No. dated 5-6-1970.

-o-o-

Copies of the following references received from the Conservator of Forests, Working Plans & Dev. Circle, Bangalore are enclosed herewith for perusal.

1) No. DPT-51-PASF-127/69-70 dated 6-6-70 along with its enclosures.
2) No. DPT-51-PASF-127/69-70 dated 18-6-1970.
3) No. DPT-51-PASF-127/69-70 dated 24-6-70 along with its enclosures.

The posts of both the Chief Conservator of Forests, New Public Offices, Bangalore and the Chief Conservator of Forests (Development), Bangalore are vacant and only additional charge arrangement is made against these vacancies pending posting of officers. This ~~subject~~ is a very important subject and therefore it is better to discuss this matter with the regular Chief Conservators of Forests after they assume charges.

Yours faithfully,

(R.A.Naik),
Chief Conservator of Forests
(Development).

Copy to the Private Secretary to the Minister of State for Forests, with reference to the Conservator of Forest's letter referred to above, for placing this before the Hon'ble Minister.

2) Copy transmitted to the Chief Conservator of Forests, New Public Offices, Bangalore with reference to the letters referred to above of the Conservator of Forests, Working Plans & Dev. Circle, Bangalore copied to him.

3) Copy to the Conservator of Forests, Working Plans & Dev. Circle, Bangalore.

/NJR/

-o-

This is for Forest 'A' and may be transferred to that section.
1-7-70 FA) SUARIS 1-7-70

Copy of letter No. Dpt.51-PASF-127/69-70 dated 18th June 70 from the Conservator of Forests, Working Plans & Dev. Circle, Bangalore, addressed to the Chief Conservator of Forests (Dev.), Bangalore.

-o-

Sub:- Proposal for the formation of the Mysore Forest Development Board.

Ref:- Your letter No. CCF(Dev)-D/163/69-70 dated 15-6-70.

-o-o-

With reference to the above, I am to state that the remarks from the Managing Director, Agricultural Finance Corporation, Bombay is still awaited and final report will be submitted soon after receipt of the reply from him

Sd/-
Conservator of Forests

"COPY"

P. Subbaraayan.
for Chief Conservator of Forests
(Development).

/NJR/

-o-

75 P-64

Copy of letter No. DPT-51-PASF-127/69-70 dated 24th June 70 from the Conservator of Forests, Working Plans & Dev. Circle, Bangalore, addressed to the Chief Conservator of Forests (Dev.), Bangalore.

-o-

Sub:- Proposal for the formation of the Mysore Forest Development Board.

-o-o-

In continuation of my office letter of even No. dated 18-6-70 in respect of formation of the Forest Corporation/the Board, my further report is as under:

As promised, Shri Rudramoorthy has offered his remarks a copy of which is enclosed for favour of ready reference, In this connection I have to add as under:

The Note referred to by him in the one which is already submitted to you vide this office letter of even No. dated 6-6-70. The Managing Director observes that the objective of the Forest Corporation has not been clearly defined. By this he probably means that the specifid purpose, e.g., the nature of the industry to be supported has to be mentioned to make the objective more clear. As could be seen, the present scheme has been drafted with a view to improve the condition of the forest, specially in respect of it's economic return per acre in low rainfall zones. This was done to cover the poor quality scrub forest areas of the maidan tracts so that they could be benefited by the operation of this development scheme. However, one of the main objectives of the scheme was to raise large scale plantations of fast growing species like Eucalyptus, to feed forest industries like Poly Fibres at Harihar. It is not quite correct to say that the Corporation/ the Board is meant to replace the normal development activities of the Forest Department. The Corporation/ the Board is to be created with a specific purpose of feeding forest industries and incidentally for developing the poorer forest areas also. From this observation it appears that the Agricultural Finance Corporation is prepared to finance the scheme of this Department prepared in respect of fast growing species covering moist deciduous zones. It is also clear that if the Board or the Corporation at any stage envisages development activities to improve the existing condition of the Forest, then, the chances of getting financial aid from Agricultural Finance Corporation are not bright.

The Agricultural Finance Corporation is not preapred to finanee the scheme, if it covers forest areas falling in Dry Deciduous and Scrub zones, as in it's opinion this amounts to a deviation from the major objective of developing Eucalyptus plantations (fast growing species). Introduction of economically important species like Tamarind, Honge, Bevu, Teak etc., necesarily results in the returne being postponed for a longer period of time. Since the return on investment is not convenient, the financing institutions are not interested in helping similar ventures.

In view of the above stand taken by the Agricultural Finance Corporation, I solicit orders on the following two issues:

1) The scheme already submitted in respect of fast growing species (Eucalyptus plantations) in moist deciduous areas at the rate of 20,000 acres per year needs to be approved as it is likely to get a financial assistance from the Agricultural Finance Corporation.

2) In the alternative, if the Corporation or the Board for the Development of Dry Deciduous and scrub Forests is to be persued, alternate arrangements are to be made to secure finance from other sources.

Further instructions are solicited.

Sd/-
Conservator of Forests.

/NJR/

"COPY"

P. Chikkanayaka
Chief Conservator of Forests
(Development) Bangalore.

Copy of letter No. SEC BR/70/2832, dated 19th June 1970 from Shri B. Rudramurthy, Managing Director, Agricultral, Finance Corporation Limited, Stadium House, Block-2, 6th Floor, 81-83 Veer Nariman, Road, Bombay-20, to Shri V.N. Nadgir, B.Sc., (Hons., A.I.F.C., Conservator of Forests, Working Plans and Development Circle, Bangalore-1.

-o-

Please refer to the discussions we had in your room on Saturday the 6th June 1970 regarding the Forest Corporation and preparation of a bankable proposal for obtaining finance from the Agricultural Finance Corporation Ltd..

The revised note which you handed over to me at that time has now been gone through by us. The following are some of our preliminary observations:

1) The objective of the Forest Corporation has not been clear. Whether the Forest Corporation is primarily intended to produce pulp wood to feed the paper mills in the State, or whether the Forest Corporation is to take over the development activities of the Forest Department? If it is latter, it is extremely difficult for a commercial Financing Institution to finance the development activities. If it is former, I am quite sure it is possible to work out a bankable scheme after reconsideration of the technical and economic aspects which have been incorporated in the statement.

2) Inclusion of plantations activities in the Dry Deciduous and Scrub Forests would deviate from the major objective of developing Eucalyptus plantations. Moreover, the economic plantations you have planned to include in the proposal cover a wide range of economic trees like tamarind, cashew, teak etc. The return on investment on these plantations is bound to be long spread for obvious reasons and the Financing Institutions would certainly not be interested in supporting such aventure.

In view of the above, I would request you to confine, for the present, to the Development of Eucalyptus and bamboo plantations primarily as a source of raw materials for the paper industry, and submit a commercially bankable scheme. We shall certainly give our due consideration when this is received.

Thanking you and with kind regards.

"COPY"

P. Lakshmiah
for Chief Conservator of Forests
(Development).

/NJR/

-o-

P.62
77

No.Dpt.51.PASF-127/69-70.

Office of the
Conservator of Forests, Working Plans
and Development Circle, Bangalore,
Dated: 6th June, 1970.

To

The Chief Conservator of Forests
(Development), Bangalore.

Sir,

Sub:- Proposal for the formation of the
Mysore Forest Development Board.

In continuation of my report of even No. dated 4/6th June 1970, the scheduled discussions with the Managing Director of the A.R.C. were held to-day in my Chambers and a Note on the discussions held is enclosed. The Managing Director is supplied with a copy of the Note and on receipt of his reply, further report in the matter will be submitted.

Yours faithfully,

(V.N.Nadgir).
Conservator of Forests,
Working Plans & Development Circle,
Bangalore.

Copy submitted to the Chief Conservator of Forests in Mysore, Bangalore for kind information.

Copy transmitted to the Private Secretary to the Hon'ble Minister for Forests for State, with a request to place the enclosed Note before the Hon'ble Minister.

GS/6-6'

P.61
78

DISCUSSIONS HELD DURING THE MEETING WITH SHRI.RUDRAMURTHY, MANAGING DIRECTOR, AGRICULTURAL FINANCE CORPORATION, ON 6-6-1970 IN RESPECT OF FINANCE FOREST DEVELOPMENT SCHEME.

-o!o!o-

The following Officers were present:

(1) Shri.V.N.Nadgir, B.Sc.(Hons.), A.I.F.C., Conservator of Forests, Working Plans and Development Circle, Bangalore.

(2) Shri.Rudramurthy, Managing Director, Agricultural Finance Corporation.

(3) Shri.Syed Hussain, M.Sc., B.Sc.F.(Edin.), Conservator of Forests, Wild Life Circle, Bangalore.

(4) Shri.R.R.Parvathikar, M.Sc., A.I.F.C., Conservator of Forests, Protection Circle, Bangalore.

(5) Shri.S.K.Varadaraj, B.Sc., M.S.F.(Wash.), Technical Assistant to the Chief Conservator of Forests (Development), Bangalore.

(6) Shri.B.S.Parishwad, M.Sc., A.I.F.C., Divisional Forest Officer, Working Plans, Chikkamagalur.

A copy of the Note prepared in respect of formation of the Mysore Forest Development Board was supplied to all the Members and Shri.Rudramurthy after going through the Note and enclosures observed as under:

As regards objects of the Board ~~of~~ the Corporation, there are more than one things included i.e., apart from supply of pulp-wood to the Paper Factory, there are 7 to 8 items like raising of plantations of Bursera, Cocoanut, Cashew, Tamarind, Bevu, Teak, Ippe, Honge, etc. He opines that unless the objective is specified very clearly, and is industry orientated, it will be difficult for any financing agency to extend loan. Secondly, the Eucalyptus plantations provided in the Scheme are to be harvested only after the 10th year as such, the repayments of interest and capital loan would be possible only after the 10th year which is not acceptable to the A.R.C. It is necessary that in any scheme to be approved by

the A.R.C., that interest on the loan must be repaid right from the first year and the capital loan from the 3rd year onwards atleast. To achieve this object, the Forest Department should attempt to raise quick yielding species like Agave and thereby be able to repay the interest and loan from early stages of the scheme. From the forestry point of view, it was indicated that it will not be possible to raise Agave as an inter and under crop in Eucalyptus plantations which are planted at close espacements. He also expressed that if at any time the meaning of the Finance Corporation or the Development Board is to convey that it is a part of Government, then, there is no possibility of any finance help from the A.R.C. The Corporation or the Board could be an autonomous body completely with full powers in all respects so that it's eligibility for loan from the A.R.C. should be considered. The A.R.C. is not interested in financing any scheme which in effect replaces the object normally of the Forest Department. It is also made clear that if they want to improve the forest and maintain them as improved National assets, they should be done out of the normal budget and not by the help of loans. In view of the stand taken by Shri.Rudramurthy, the Managing Director of A.R.C., it was not of much use to hold further discussions on the details of the scheme and the Managing Director was kind enough to assure that he would go into the Note leisurely and would communicate his considered opinion in the matter after return to Bombay during the next week.

(V.N.Nadgir).
Conservator of Forests,
Working Plans & Development Circle,
Bangalore.

CS/6-6'

Sl. No. 21 79 P. 59

No.CCF(DEV)D/163/69-70

OFFICE OF THE CHIEF CONSERVATOR
OF FORESTS (DEVELOPMENT)
BANGALORE DATED 29TH MAY 1970.

5-6

To

The Secretary to Government,
Agriculture & Forest Department,
Bangalore.

Sir,

G.&L. SECTION
A.&F.D.
8 JUN 1970

Sub: VII Meeting of standing Committee of Central Board of Forestry held at Bhubaneswar on the 2nd & 3rd August 1969 - Proceedings on item No.7 regarding management of Productive Forests as economic enterprise.

-.-.-

With reference to your letter No.AFD 1 FAP 69(Supp) dated 25-5-1970 inviting my attention to the D.O.letter No.DPT-51-PASF-127/69-70, dated 18th May 1970 of the Conservator of Forests, Working Plans & Development Circle, Bangalore regarding the examination of the feasibility of formation of "Forest Development Board" on the same lines as is done in Maharastra State, I write to state as under:-

22327

The report received from the Government of Maharastra pertaining to the formation of "Forest Development Board" has not been made available to this office. However the Conservator of Forests, Working Plans & Development Circle, Bangalore reports that this Board is formed to tackle areas of better quality sites and for raising of teak plantations. The areas proposed to be taken for planting of teak I gather to contain forest crop which on exploitation ~~would yield~~ would yield considerable amount of revenue per acre which would more than suffice for the raising of new plantations of teak. As against this we are now envisaging to raise pulp-wood forests of exotic species in the lower rainfall zones namely dry deciduous and scrub forests. Though the areas under dry deciduous might be expected to yield certain revenue on exploitation it would at best suffice to afforest only these dry dediduous tracts. The scrub forests at present do not contain any revenue yielding crops.

Thus there would not be enough amount available to afforest the scrub areas included in our scheme. As a matter of fact the scrub forests form the major portion of the areas we are contemplating to afforest. As such it is obvious that we cannot think of a self financing forest Board and it is imperative that we have to borrow money from financing institutions to implement the scheme on hand.

AFD 4295/FAP70 I am given to understand that the Conservator of Forests Working Plans & Development Circle, Bangalore is now busy in

P.T.O

80 P.58

in drawing up of a scheme with the assistance of cost Accmountant and soon after receipt of that scheme I would be in a position to offer my remarks.

Yours faithfully,

(R.A.Naik)
I/c. Chief Conservator of Forests
(Development)

Copy to the Conservator of Forests Working Plans & Development Circle, Bangalore.

-.-.-

NKG/

Sl. No. 20 81 P. 57

GOVERNMENT OF MYSORE

No. AFF 1 FAP 69(Supl)

MYSORE GOVERNMENT SECRETARIAT,
VIDHANA SOUDHA,

Dated, Bangalore,..... 196

FROM

The *Secretary to the Government of Mysore*
Agriculture & Forest Department.

To

The Chief Conservator of Forests (Development)
~~in Mysore~~ Bangalore.

Sir,

Sub: VII Meeting of standing Committee of Central Board of Forestry held at Bhubaneswar on the 2nd and 3rd August 1969 - Proceedings on item No.7 regarding Management of productive forests as economic enterprise.

I am directed to invite reference to the D.O.letter No.DPT.51.PASF.127/69-70 dated 18-5-1970 addressed to you by the Conservator of Forests, Working Plan & Development Circle, on the subject cited, and to request you kindly to examine and report whether we may also have one such board taking the Eucalyptus realisation every year plus the realisation out of scrub and dry deciduous forest clearance according to the present scheme the revenues we may got out of the sale utilising the same amount for development works.

An early reply is requested.

Yours faithfully,

(S.N.Krishna Murthy)
Under Secretary to Govt.(Technical)
Agriculture & Forest Department.

hns/25-5/

Copy to the Chief Conservator of Forests in Mysore, Bangalore, with a similar request A copy of the book let on the formation of the Forest Development Board in Maharashtra State may also be sent for reference.

AFD 1 FAP 69 (Supl) 82 P.56

To
The C.C.F (Dev)
Sir,

Sub:- As at p 53/cr.

I am directed to invite reference to the D.O. letter no. DPT.51-PASF.127/69-70 dt 18/5/70 addressed to you by the C.F. W.P&D. circle B'lore on the subject cited, and to request you kindly to examine and report whether we may also have one such board taking the Eucalyptus realisation every year plus the realisation out of scrub and Dry Deciduous forest clearance

ISSUED
Date 25/5/70

P.55

according to the present Scheme the Revenues we may get out of the Sale utilising the same amount for Development works. 83

An early Reply is Requested.

— Y. 7.

U/S (Tech)

Copy to the e.c.f. with a similar Request. A copy of the book let on the formation of the Forest Dev. Board in Maharashtra state may also be sent for Reference.

U/S (Tech)

Sl. No. 19 -

P. 54

84

Office of the
Chief Conservator of Forests
in Mysore, Bangalore

No.B8- GL 4107/CBF/70-71

Dated/12-5-1970

To

The Conservator of Forests,
Working Plans & Development Circle,
BANGALORE-1.

Sub:- VII Meeting of the Standing Committee of the Central Board of Forestry held at Bhubaneswar on the 2nd and 3rd August 1969 - Proceedings on Item No.7 regarding Management of Productive forests as economic enterprise.

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19499

In pursuance of the instructions of the Hon'ble Minister of State for Forests during the meeting held in his chambers to-day (12.5.70), the original Letter No.TMR-C-15/55/68-69/1728 of 70-71 dated 27-4-1970 together with a copy of the Note on the establishment and working of the Forest Development Board in Maharashtra State, received from the Chief Conservator of Forests, Maharashtra State is herewith enclosed.

As per instructions of the Minister the feasibility of having such a Board in Mysore may kindly be got examined in consultation with the Working Plan Officers and a detailed Report furnished to Government through the Chief Conservator of Forests (Development) early. A copy of the Report may however be sent to this office for information.

3066/FA/70

sd/-

CHIEF CONSERVATOR OF FORESTS

1. Copy submitted to the Secretary to Government, Agriculture & Forest Department, Vidhana Soudha, Bangalore, for information.

1. Copy to the Private Secretary to the Minister of State for Forests, Bangalore, for information.

2. Copy to the Chief Conservator of Forests(Development), Malleshwaram, Bangalore-3, for information and needful action.

Sr. ARB
19/5

CHIEF CONSERVATOR OF FORESTS

SL. No. 18 - P.53

85

B.Marappa, B.Sc.(Hons.), A.I.F.C.,
Conservator of Forests,
Working Plans & Development Circle,
Bangalore.

Min. of St. Forests. No. MF (CCF) - 158/70 Date. 20.5.70

D.O.No. ~~DPT.51-PASF-127~~ 69.70.

New Public Offices,
Bangalore, 18th May, 1970.

Dear

Sub:- VII Meeting of standing Committee of Central Board of Forestry held at Bhubaneswar on the 2nd and 3rd August 1969 - Proceedings on Item No.7 regarding Management of Productive forests as economic enterprise.

Ref:- No.B8.G1.4107.CBF/70-71, dated 12-5-1970 of the Chief Conservator of Forests in Mysore, Bangalore.

With reference to the above reference addressed to this office and copy endorsed to you regarding the examination of the feasibility of having a Forest Development Board in Mysore along the lines of Forest Development Board in Maharastra State, I in consultation with Divisional Forest Officers, Working Plans, examined the Note in detail of the establishment and working of the Forest Dewelopment Board in Maharastra State. My comments are as follows:

(1) The Scheme of Forest Development Board in Maharastra State is for certain valuable Teak bearing forests, the site quality of which is good.

(2) The above scheme envisages the sale of these valuable forests and the huge proceeds derived by such sales to be flowed back for raising Teak Plantations on an intensive scale, namely at the rate of Rs.1,150/- per acre annually are for an area of 8000 acres will fetch 92,00,000/- whereas expenditure per acre for formation of plantation including establishment and machinery will be Rs.220/- and Rs.600/- exploitation cost.

(3) The revenue derived by sale of standing growth is more than sufficient to meet the cost of all the Expenditures of the activities of the Board inclusive of cost on Establishment.

p.2.

R/S (Ec) to examine the pattern the Board intended to be created at Maharastra. I think we may also have one such board taking the Eucalyptus realisation and plus the realisation out of Sandal & R.R. clearance according to the present scheme. The business we might carry the sale and the same amount may utilised for development

28/5/70
ALUR HANUMANTHAPPA
Min. of State for Forests

22/5/70

3858/FA 70

P. 52

86

(4) Therefore the Board does not contemplate to borrow funds from any financing Corporation, Banks etc.

(5) The Board functions for 30 years and during this period an area of only about 96,000 Hectares is converted into Teak plantations.

(6) The Revenue expectations are calculated only from 10th year onwards from thinnings.

From the above it can be seen that the lines on which the Forest Development Board in Maharastra State is established cannot be adopted for raising Eucalyptus plantations and other plantations in Mysore State. The Project of afforesting Dry Deciduous and Scrub Forests of Mysore State involves huge investment - an annual expenditure of Rs.2 Crores. The Revenue returns from the standing growth end from the exploitations of the existing Eucalyptus plantations will be sufficient only to meet a part of this expenditure i.e., 1.20 Crores of revenue against an expenditure of 1.91 Crores. Therefore the borrowing of additional funds has become upto an extent of about 71 lakhs has to be borrowed.

From the above, it is evident that the formation of Forest Development Board on the lines drawn up by Maharastra Government is not a feasible proposition in respect of the Scheme of Dry Deciduous and Scrub Forests of Mysore State already drawn up which includes mostly degraded forests.

Yours sincerely,

B. Marappa

Shri.Byrappa, I.A.S.,
Chief Conservator of Forests
(Development) incharge,
Malleswaram,
Bangalore-3.

Copy to the Private Secretary to the Hon'ble Minister of State for Forests, Vidhana Soudha, Bangalore, for information and to bring the above to the notice of the Hon'ble Minister of State for Forests.

GS/13-5'

B. Marappa 18/5/70

13/5/70

Sl. No. 17

87 P.51

Dy. Secy. No.

1120/20/5

Office of the
Chief Conservator of Forests
in Mysore, Bangalore

No.B8- GL 4107 CCF/70-71

Dated/12-5-1970

To

Min. of St. Forests.
No.CF/14 Dated 18/5/70

The Conservator of Forests,
Working Plans & Development Circle,
BANGALORE-1.

Sub:- VII Meeting of the Standing Committee of the Central Board of Forestry held at Bhubaneswar on the 2nd and 3rd August 1969 - Proceedings on Item No.7 regarding Management of Productive forests as economic enterprise.

--

In pursuance of the instructions of the Hon'ble Minister of State for Forests during the meeting held in his chambers to-day (12.5.70), the original Letter No.TNR-C-15/55/68-69/1728 of 70-71 dated 27-4-1970 together with a copy of the Note on the establishment and working of the Forest Development Board in Maharashtra State, received from the Chief Conservator of Forests, Maharashtra State is herewith enclosed.

As per instructions of the Minister the feasibility of having such a Board in Mysore may kindly be got examined in consultation with the Working Plan Officers and a detailed Report furnished to Government through the Chief Conservator of Forests (Development) early. A copy of the Report may however be sent to this office for information.

20228

sd/-

CHIEF CONSERVATOR OF FORESTS

R.&L. SECTION
A.G.R.
No.
Date 20 MAY 1970
Season

1. Copy submitted to the Secretary to Government, Agriculture & Forest Department, Vidhana Soudha, Bangalore, for information.

1. Copy to the Private Secretary to the Minister of State for Forests, Bangalore, for information.

2. Copy to the Chief Conservator of Forests(Development), Malleshwaram, Bangalore-3, for information and needful action.

3371/FA/70

CHIEF CONSERVATOR OF FORESTS

Transferred to Forest A
21-5-70

S.O. Forest A

3817/FA70

SL. No. 16 — 88/50

GOVERNMENT OF MYSORE

No. AFD 82 FDP 68. (Encls)

Mysore Government Secretariat,
Vidhana Soudha,
Bangalore-1, dated 29th April, 1970.

From

The Secretary to the Government of Mysore,
Agriculture and Forest Department,
Bangalore.

To

The Chief Conservator of Forests
in Mysore, Bangalore.

Sir,

I am directed to forward herewith a copy of the letter No. MF 30/70 dated 4-4-1970 from the Minister for Forests, addressed to the Secretary to ~~Government~~ the Governor of Mysore, furnishing a note on the points raised in the Memorandum of the West Coast Paper Mills, Dandeli, presented to the Governor during his visit to Dandeli on 16-2-1970, for your information.

Yours faithfully,

(S. Balasubramanyan),
I/c. Deputy Secretary to Government,
Agriculture & Forest Department.

CM/-.

PTO

Copy to:

Format-B (Ref: File No. AFD 12 GL 70)
" (Ref: File No. AFD 483 FAB 80)
Format A (Ref: File No. AFD 1 FAP 69)
" File No. AFD 70 FDP 68
" File No. AFD 40 FDP 67
" File No. AFD 3 FDP 70.

AR B

3327/FA170

90 49

Copy of letter. dt 4-4-70.

Dear Shri. Viswanath,

Please refer to the Note dated 18th February 1970 of the G ove nor enclosing a Memorandum presented to him by the West Coast Paper Mills, Dandeli, and asking for a note on the points raised by them.

I enclose herewith a note explaining the position in respect of the several points raised by the Mills and the same may please be subm-itted for the gracious perusal of the Governor.

1/38/44

91 48

NOTE

Sub:- West Coast Paper Mills, Dandeli - Submission of a Memorandum to the Governor of Mysore during the Visit to Dandeli - Regarding -

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The following are the points in brief which have been raised in the representation submitted to the Governor of Mysore, during his visit to Dandeli, and the position in respect of each of them is as given below:

1. Allotment of Yellapur Division for extraction of bamboos.

Government having considered the short-fall in the bamboo requirements of the West Coast Paper Mills Ltd., Dandeli, have been allotting Yella-pur Forest Division for extraction of bamboos by the Company on a year to year basis. Accordingly, as-per Government Order No. AFD 84 FDP 68 dated 10/12-12-1969 (copy enclosed), the Yellapur Division is available for extraction of dead and green-bamboos for a period of one more year i.e., from 16-1-1970 to 15-1-1971.

2. Allotment of certain additional areas from unallotted Forest areas in Karwar, Belgaum and Dandeli Divisions for extraction of bamboos.

The question of allotment of the above areas on the basis of the proposal of the Chief Conservator of Forests is under consideration of Government separately and suitable orders in the matter will issue shortly.

3. Allotment of Eucalyptus wood for expansion programme:

The question of earmarking the Dandeli Division exclusively for meeting the requirements of Eucalyptus of the West Coast Paper Mills, among other things, is also under consideration of Government.

4. RAISING of Industrial Plantations by the West Coast Paper Mills.

This is an important issue and the Government are bestowing some thought on the question of taking up plantation programme of the Fast Growing species etc., to meet the future requirements of the several forest-based industries for quite some time. Government have decided in principle to establish a Forest Corporation for taking up plantation of Eucalyptus - a fast growing species, as also the development of the Dry Deciduous and Scrub forests areas which constitute nearly 22.5% and 33.2% respectively of the forest areas in the State. If the above scheme for the development of the forest areas as also of plantation of quick growing species under the aegis of the proposed Forest Corporation materialises with the necessary financial assistance, the question of meeting to demands of the several wood-based industries may not pose a real problem.

Contd. 2 ..

5. Allotment of additional land for plantation PROGRAMME to be undertaken by the Mills.

It is not the policy of the Government to allow outside agencies to grow plantations on lands granted by Government and hence the request for grant of land for intensiv-e forest plantation programme contemplated by the West Coast Paper Mills may not arise at this juncture. Further, allowing other agencies to raise plantation programmes will also not be quite in keeping with the latest decision of the Government to undertake plantation programmes as the one contemplated by the formation of a Corporation.

6. Ban on export of bamboos outside the State.

Government have seriously viewed the large scale transportation of bamboos outside the State as also the apprehensions of the forest-based industries like the West Coast Paper Mills in getting their full requirements of bamboos due to gregarious flowering in the State. Government have, therefore, under consideration a proposal to ban the transportation of bamboos outside Mysore State, if need be by bringing bamboo under the purview of the Essential Commodities Act. This question is being examined.

(Sd/= Alur Hanumanthappa),
Minister of State for Forests.

CM/-.

AFD 1 FNG69

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93

To

The C.F. W.P&D. Circle
Bangalore

Sir,

Sub:- As at p.26/ci.

(1) P.26/ci.

In continuation of this Dept's (1) memo of even number dt 11/5/70 on the subject cited, I am directed to state that during the visit of the Dnl. Commr. to Belgaum, the C.F. Belgaum circle has given a paper which has been contributed for the National Seminar ~~on~~ "Afforestation - Plans and Achievements in Mysore State (copy may be obtained from the

44 C.F. Belgaum Circle if it is not available) wherein some very useful suggestions have been made about Eucalyptus plantations. The C.F. has also suggested that it should be possible to plant certain species of Eucalyptus which could yield oil; and that a suitable programme could be worked out to make the project economical and start paying from the third year itself.

I am therefore, to request you kindly to keep the views of the C.F. Belgaum and the suggestions contained in the paper while preparing the revised project of the Corporation.

C.F.
for 11/5
O/C A&I

Copy to C.C.F. & C.C.F (Dev) for infn. & needful action

Sl. No. 15

95 46

GOVERNMENT OF MYSORE

No. AFD 1 FAO 69.

MYSORE GOVERNMENT SECRETARIAT,
VIDHANA SOUDHA,

Dated, Bangalore,..... 196

FROM

The *Secretary to the Government of Mysore*
Agriculture & Forest Department.

The Conservator of Forests
Working Plan & Development Circle,
BANGALORE.

Sir,

Sub: Establishment of Forest Corporation in the State.

In continuation of this Department's memo of even number dated 11-5-1970 on the subject cited, I am directed to state that during the visit of the Divisional Commissioner to Belgaum, the Conservator of Forests, Belgaum Circle has given a paper which has been contributed for the National Seminar on "Afforestation - Plans and Achievements in Mysore State" (copy may be obtained from the Conservator of Forests, Belgaum Circle if it is not available) wherein some very useful suggestions have been made about Eucalyptus plantations. The Conservator of Forests has also suggested that it should be possible to plant certain species of Eucalyptus which could yield oil; and that a suitable programme could be worked out to make the project economical and start paying from the third year itself.

I am, therefore, to request you kindly to keep the views of the Conservator of Forests, Belgaum and the suggestions contained in the paper while preparing the revised project of the Corporation.

Yours faithfully,

(S. Balasubramanyan)
Under secretary to Government,
Agriculture & Forest Department.

ISSUED
Date 11-5-1970

Copy to:-
The Chief Conservator of Forests in Mysore, Bangalore.
The Chief Conservator of Forests (Dev.), Bangalore.
for information and needful action.

hns/12-5/

SL. No. / P. Patil Compliments
96 Y. M. Sharma
25/4/70.

Afforestation-Plans and Achievements in MYSORE STATE

(Paper contributed for the National Seminar on
" Afforestation-Plans and Achievements " Bombay
—organised by " Friends of the Trees ")

Y. M. L. SHARMA,
Conservator of Forests,
Belgaum, Mysore State (India)

Afforestation-Plans and Achievements in Mysore State

BY

Y. M. L. Sharma, M. Sc., A. I. F. C.,
Conservator of Forests, Belgaum.

Mysore State is situated between 11° and 19° North latitude. The altitude generally varies from sea level and to 3,000′, (plateau) except some peaks on the Western ghats. The rain fall varies from 25 cms. on the eastern plains to over 750 cms on the Western ghats. Out of the total geographical area of 73,530 square miles, the forest area is 13,598 square miles which works out to 18.4% of the land area. This is 60 percent of what is prescribed (33 percent of land area) according to our National Forest policy of 1952.

Principal Forest Types :–

The forest types of Mysore may be broadly classified as under :—

(i) Tropical Evergreen and Semievergreens.

(i) Tropical moist deciduous and Dry deciduous.

(iii) Dry scrub forests.

Tropical Evergreens and Semievergreens : -

1,315 square miles of the forest area is clothed with tropical evergreen and tropical semi-evergreen forests. These forests form a narrow belt from North to South over the western ghats. It is in this region that most of our important rivers take their origin. The tropical evergreens and semi-evergreens are the home of softwoods utilised for plywood, match and packing case industries namely, **Dipterocarpus indicus, Vateria indica, Canarium strictum, Machilus, Ailanthus malabarica** etc. and woods utilised for railway sleepers and electric transmission poles like **Poeciloneuron indicum.** There are vast stretches of grass lands in our evergreen and semi-evergreen zones, islands in the Sharavathy reservoir and tongues of land projecting into the Sharavathy reservoir like peninsula available for afforestation with softwoods and pulpwoods not only to supplement what the existing natural forests yield, but also to permanently protect catchments of our principal rivers like Kali, Sharavati, Tunga, Bhadra, Netravati and Cauvery.

These forests have as already stated been the source of softwood timbers, Railways sleepers and electric transmission poles. After removal of the mature and overmature trees on a " selection basis " by the match and plywood industries, extraction of sleepers and electric transmission poles by the department, the worked areas are tended and canopy

lifted in the following year. Canopy lifting and tending operations, combined with planting in gaps, where the stocking of the economically useful species is inadequate with nursery raised seedlings of softwoods are done. This practice has now come to stay. Over 7,000 acres have so far been tended during the last 9 years in the evergreen zone. Important species like **Dipterocarpus indicus, Vateria indica, Canarium strictum, Dysoxylum malabaricum, Ailanthus malabarica, Cedrela toona, Evodia aoxburghiana Mesua ferrea, Hopea, parviflora** and other similar species are raised in the nurseries either in beds or in polythene containers in the evergreen zone to be used for gap planting under shade where regeneration is either totally absent or deficient. ' Globe tree killer ' is used for poisoning the unwanted species. This treatment has given good results and is of urgent necessity to these forests and needs to be stepped up in almost all the worked out evergreen forests of the State which extend over a large area.

Tropical moist deciduous & Tropical Dry Deciduous Forests :-

The tropical moist deciduous forests extend over an area of 843 square miles. This and the evergreen and semievergreen areas constitute 17% of the forest area. These forests are the most valuable, rich with Indian timbers like **Tectona grandis, Dalbergia latifolia, Pterocarpus marsupium, Lagerstroemia lanceolata, Terminalia belerica, Adina cordifolia, Terminalia tomentosa** and **Terminalia paniculata, Bombax malabaricum** and other associate species of the South Indian Moist deciduous forest. This belt is the home of the two species of bamboos, **Bambusa arundinacea** and **Dendrocalamus strictus,** and reeds like **Ochlandra** and **Oxytenanthera** on the crests of hills and higher slopes. The moist deciduous forests provide the state with the bulk of the hardwood timbers which are the main stay of departmental sale depots, to meet the supplies to Industries, Defence, and Railways etc. The bulk of the supply of bamboos to the various paper mills in the State is from these forests supplemented with what little bamboos are available in the dry deciduous forests.

The Tropical dry deciduous forests cover an area of 3,020 square miles i. e. 22% of the forest area. They contain the same species which occur in the Moist deciduous forest except that there is a greater proportion of teak and Anogeissus, and the forest itself is of a poorer quality both as regards height and size of trees. Sandal also occurs here.

It is in the tropical moist deciduous and dry deciduous forests the work of the Forest Department is concentrated, like coupe sales, logging kamgari, timber extraction on selection system and raising plantations, by clearfelling the existing mixed forest, of hardwoods like teak, softwoods like semal, Halmaddi, Silver oak and the like, and pulpwood like Eucalyptus. Extensive plantations of these species are being raised and will be continued and raising of certain species may be stepped up. In view of the gradual change over in the concept of forestry towards growing of more wood for pulp and rayon, to rehabilitate quickly the heavily worked areas supplying firewood and charcoal to industrial concerns like the Mysore Iron and Steel Ltd , and to afforest the barren hills tops and other degraded areas, the tempo of raising of plantations of quick growing species like Eucalyptus was stepped up in recent past.

Dry Scrub Forests :-

The dry scrub forests cover an area of 8420 square miles. They form nearly 61% of the forest area in the State. From this and partly from the dry deciduous forest, the bulk

of nearly 8000 tonnes of Sandal wood (**Santalum album**) is extracted annually and supplied to the two Sandalwood oil factories at Shimoga and Myosre. The scrub forests also provide fire wood of poorer quality to the local sales. Some of the major sources of revenue from this zone are the economic products like **Tamarindus indica, Pongamia glabra, Cassia auriculata, Cassia fistula** and **Rosha grass** besides a host of smaller items generally classified as Minor Forest Produce and the total revenue being about 0.5 crore of rupees.

There are slightly over 1000 acres of Casuarina equisetifolia plantations along the West coast. They are some of the finest plantations in the Country.

The revenue ralised from our forest during 1968-69 is of the order of Rs. 12.07 corers and is expected to reach 15.00 crores in 1969-70. The scrub type though extending over 61% of the forest area, yields only 15% of the total revenue of the forests. The bulk of the revenue is thus from the Moist Deciduous and dry deciduous forest only.

The impact on Mysore's Forests

Prior to Independence the Forest Department generally confined itself to the idea of conserving of the forests. The working of the forest was generally limited to the requirements of timber and firewood to the local inhabitants and to meet the demands of local industries and of railways. The utilisation of timber was confined only to a few species. The utilisation of many of Mysore timbers was unknown before the last war. Selection fellings in high timber forest were done or coppice with standards or coppice with reserves or simple coppice systems in the case of the dry deciduous and dry scrub forests, and clearfelling and planting with mostly teak was done. The area of planting was limited to the extent of funds available.

The major wood consuming Industries were the Mysore Iron and Steel Works Bhadravathi, a few industries like the Mysore Commercial Union and two other plywood factories and Mysore Match Co. which utilised the peclable woods. The Mysore Paper Mills at Bhadravati was the only paper mills consuming bamboos. These industries in due course expanded. A large number of small match splint factories also came up all over the State. The number ofplywood factories and veneer mills also increased.

Consequent on the reorganisation of the State, the forest resources of the new Mysore State also increased with the demand. There are now four plywood factories inthe State consuming over 20,000 tous of peelable timber, and these are asking for increased quantities of wood. The major consumer of matchwoods in the State is WIMCO requiring over 20, 000 tons of match wood. It has not been possible to meet the demand of the WIMCO, and those of the other match splint factories fully. The Mysore Iron & Steel Ltd., Bhadravati due to its expansion requires, in terms ot firewood alone nearly 3.0 lakh tons.

The Mysore Paper Mills at Bhadravati expanded their mill and need nearly, 60 000 tons of bamboo per year. The West Coast Paper Mills at Dandeli require 90,000 tons of bamboo per year. A new Rayon Plant, M/s. Haribar Polyfibres, is being started which requires in its final stage 4.50 lakh tonnes of **bamboo** and **Eucalyptus** and Anogeissus

latifolia. M/s. Gwalior Rayons, Mavoor need considerable quantities of Eucalyptus and bamboo for their factory. The Mandya National Paper Mills, is another mill in need of raw materials. Lately extensive areas of **Bambusa arundinacca** and **Dendrocalamus strictrs** have flowered and seeded since 1960 upsetting the estimated annual yield al over the State. The supply of green bamboos to the industry has been affected. A large quantity of seeded as well as dead **Bambuea arundinacea** was extracted in the past and is still being extracted by the different Paper Mills, and by M/s. Gwalior Rayons. This gregarious flowering of bamboos has interfered seriously with sustained supply of bamboo to the paper and rayon industry. With the development of the regeneration of bamboos into clump stage within the next few years, the position of supply of bamboos is likely to improve.

The packing case industry consumes about 3000 to 3500 tons of softwood timber per year in the State. Nearly 3000 tons of Sandalwood are supplied to the two Sandal wood oil factories in the State in addition to the supplies to local perfumeries, Agarbatti manufactures and domestic consumption. There is a wood distillation plant at Londa whose requirement is about 25,000 tons of firewood, for conversion into charcoal and further processing into activated carbon. There is a chip board plant at Dandeli and another at Mysore. The demand of suitable raw material for chipboard is also likely to go up. There is great demand for essential oils of Eucalyptus, Rosha, Lineloe etc. The State has not been able to meet this demand The Soap Factory is prepared to purchase bulk supplies of essential oils if available.

Mysore forests produce annually about 1·2 lakh tonnes of timber of **Tectona grandis, Dalbergia latifalia Pterocarpusmarsupium, Lagerstroemia lanceloata, Terminalia tomentosa, Calophyllum elatum, Xylia xylocarpa, Dipterocarpus indicus, Vateria indica, Terminalia paniculata** and other hard wood species for sale in its depots and special supplies to Railwys, Defence, and other industrial under-takings besides export of rosewood to Japan. They also supply a large quantity of treated and untreated sleepers to the Railways About 25,000 poles of **Poeciloneuron indicum,** are treated and supplied to the Mysore State Electricity Board There has thus been a big impact on the forests from all sides and this impact is on the increase. Though the common man is still after the habitual hardwoods in the log form and in the form of sawn sizes, there is however, a gradual trend towards the use of processed timbers resulting in the utilisation of the lesser known species in recent years. In fact, the Indian Plywood Company has been utilising a large number of species which had hitherto no market at all. Mysore State has been forging ahedad. It's forestry schemes are planned on the above needs.

Eucalyptus Plantations

Mysore has been a pioneer among Indian States in growing large scale Eucalyptus plantations. The introduction of Eucalyptus plantations into Mysre dates back to the middle of the 18th eentury. It is reported that Tippu Sultan introduced over 16 species of Eucalyptus into Mysore The most widely tried species is **Eucalyptus hybrid** originating near Chikkaballapur. Seeds of this species have been supplied to almost all the States in this Country. Mr. R. N. Anderson's (Sydney Australia), investigations indicate that Eucalyptus hybrid is a resultant mixture of **Eucalyptus botryoides, Eucalyptus robusta.**

Eucalyptus tereticornis and **Eucalyptus transversa** which are found on the Nandi hills, Professor Pryer from Australia has felt that some of these hybrid trees may be **Eucalyptus tereticornis.** However final identification has not been done. but we, in Mysore, prefer. to call it as **Eucalyptus mysorensis.** This hybrid has been the result of inter mixing and inbreeding amongst the sixteen and odd species found growing around Nandi Hills and Bangalore. The plantations of **Eucalyptus hybrid, bicolor, tereticornis,** etc. date back to early forties when they were raised on a large scale in Kolar, Bangalore, Tumkur and other Maidan Divisions.

The oldest **Eucalyptus citriodora** plantation dates back to 1929 and is situated in the compound of the Tuppur Forest Lodge in Sagar Division. The trees measure 51.2 M in height and 212.5 cms in girth at breast height. These 81 trees of Eucalyptus citriodora have been constituted into a preservation plot. **Eucalyptus citriodora** is a popular species and is also tried on a fairly large scale in Mysore. Plantations of this species were raised by direct sowings on charcoal kiln sites in the charcoal burnt areas and plantation sites around Bhadravati. These plantations of Eucalyptus citriodora are scattered all over Sagar, Shimoga, Bhadravati, Tarikere, and Koppa Forest Divisions. There are about 5905 acres of Eucalyptus plantations raised prior to 1961 earliest dating back to 1942-43. Though the Eucalyptus citriodora is found to be useful in more ways than one its raising on a large scale was limited in the past for want of adequate seed. These trees have now begun to yield abundant quantities of seed, which are collected and supplied to the forest divisions. Eucalyptus citriodora is being raised on an increased scale in recent years in the moist deciduous forest tract. These older plantations of Eucalyptus citriodora raised 20 to 25 years ago have yielded several thousand electric transmission poles during the last 8 to 10 years, which after treatment with creosote were supplied to the State Electricity Board. The revenue realised by the supply of these poles alone and by supply of seeds to the various divisions in recent years have paid back the cost of these platations. They have not been completely clearfelled. The stools of stems cut for poles have put forth vigorous coppice shoots which have developed to good sizes.

The third species of Eucalyptus tried on a fairly large scale in Mysore is **Eucalyptus grandis.** Seeds of this were obtained from Munar in Kerala State and Australia. The species has been introduced solely with the idea of providing pulp wood and introduced in forests where rainfall is over 80″ to 100″. Concentrate plantations are formed in a number of Divisions with encouraging results.

Besides the concentrated plantations in the dry deciduous and moist deciduous zones, and on the blank hill tops and slopes in the evergreen and semievergreen belts, Eucalyptus hybrid has been a very useful species to afforest the dry and arid areas. Eucalyptus hybrid tried in areas with over 80″ to 100″ rain fall have in recent years shown signs of repeated wilting and sproutirg again when rainfall has been high and continuous. The cause and control for this is under investigation. Eucalyptus citriodora and Eucalyptus grandis on the contrary are more suited to this zone.

The first step towards raising large scale plantations of Eucalyptus was taken up by the Government of Mysore, when they sanctioned a 5 years scheme of raising 30,000 acres of Eucalyptus plantations on 30-6-1962, at the rate of 6,000 acres per year in Shimoga

Circle for supplementing the firewood supplies to the Mysore Iron and Steel Ltd. and to provide raw material for paper, chip board etc. in addition to bamboos. Though the expenditure was originally sanctioned under Rehabilitation of Degraded forests, it was later charged to 'Centrally sponsored Scheme-Fast Growing Species'. This programme is still continued.

The problems faced during 1962-63 when the scheme was sanctiond were manifold. Nursery sites with adequate and wholsome water supply close to the planting sites had to be selected. This was difficult in forest areas. Advantage was, however, taken initially of the prevailing medium and small unused old tanks situated in the forests and the small streams or rivulets to serve as sources of water supply. By a process of elimination, permanent nurseries, some of them the largest in the country were established with perennial water facilities. Irrigation was resorted to either by gravitational flow or by installing a large number of diesel pump sets. The nursery technique of **Eucalyptus** hybrid in Mysore, by careful observations and experiments, has now been streamlined and almost become a fool proof technique.

The technique of raising these **Eucalyptus hybrid** plantations generally is as under. All valuable timber and bamboos are extracted first from the area. The regeneration area is then clearfelled entirely or some times retaining about 20 to 30 vigorously growing standards of teak, Rosewood, Benteak and Bijasal etc. This is aimed not to lose the importance of the local hardwoods. The standing growth is either sold out or carbonised into charcoal and supplied to fhe Mysore Iron & Steel Ltd. The area is given as uniform a bnrn as possible with the help of the available debris. It is then staked and planted up with Eucalyptus hybrid. The same technique is adopted for raising plantations of teak and softwoods.

Most of the areas selected for planting Eucalyptus lie in the moist and dry deciduous forest tract. The principal species here is teak. Large areas of such rich teak bearing forests had to be cleared recently due to irrigation and irrigation-cum-power projects. It was thus necessary not to lose sight of teak and raise teak also to a certain extent in all these planting areas. Teak was raised within the matrix of Eucalyptus adopting different espacements. Later, in the light of experience gained, this intimate mixing up of teak and Eucalyptus was given up. The two species are now planted in alternating strips, or in different blocks in the regeneration area.

Eucalyptus-hybrid is planted with naked seedlings about 18″ to 24″ tall, in crow bar or pick axe holes in better soils and well burnt areas, and in 1′ cube pits in partly burnt or unburnt areas. Phenomenal height growth is generally noticed in the first year itself in well burnt sites and sites where bamboo clumps existed and were burnt well. The spacing adopted has varied in the initial stages from 3′ x 3′, 4′ x 4′ and 6′ x 6′ and planting Eucalyptus in quincunx with teak etc. Generally, the spacing adopted for Eucalyptus has been 4′ x 4′ or 6′ x 6′. Grading of seedlings before planting is done. 2 to 3 weedings and a soil working are given during the 1st year and in the second year the extent and frequency of weedings is dependent on the height growth of the plants and competition from weeds.

In the drier zone where rain fall is less than 80″ a year, the planting of naked seedings gave indifferent results due to the vagaries of the monsoon. This led us to the adopion of transplanting seedlings of **Eucalyptus hybrid** from seed beds to the polythene bags of generally of 100 or 150 gauge and 8″ x 5″ in size They are allowed to develop in bags or about 4–5 months and then planted out in the field. The mortality percentage is consilerably reduced in the dry zone by this methods, specially in soil conservation areas where rench mound plantations are undertaken.

Sometimes, difficulty was felt to get the polythene bags in time in bulk supplies. To get over this difficulty the author experimented with what is called ' **Pesmic** ' bricks. The **Pesmic bricks** ' are made out of a matrix of unbleached pulp of bamboo or wood (P), earth (e), sand (s), manure (m) insecticide (i) and clay (c), which acts a binding material. The dry mixture is first prepared and kneeded to the desired consistency using water to lay bricks in moulds. The bricks are 8″ high, 1½″ x 1½″ at the top and 3″ x 3″ at the bottom. mmediately these are prepared, the seedlings of Eucalyptus hybrid raised in seed beds, about 3″ x 4″ high, are pricked out from the seed beds and transplanted into these wet bricks. The bricks are then arranged side by side and sand filled in between them, so that couring of bricks does not occur while watering Watering is however done carefully in he first few days and later on, depending on requirements of the plants. The use of pulp has a decided advantage of retaining moisture. It keeps the root system cool. The bricks are frequently moved a few inches spart, to prevent the root system striking the soil. The plants develop an intricate root system inside the brick. When the seedlings in bricks are arge enough, after 3–4 months the bricks are planted out in the field with the seedlings, vatering them well before removal from nursery.

Should there be no rain even for a week or ten days after planting the moisture present in the brick prevents the drying up of the plants. This is a decided advantage of he ' **Pesmic bricks** ' over the polythene bag. It is small, easily handled, and more than ll transport to the planting site is easy, (a jeep trailer is able to transport nearly 4000 seedings of about 18″ high) and a labourer can carry 50 at a time in a basket. This has been ried by the author with Eucalyptus hybrid, Eucalyptus grandis, and Eucalyptus citriodora. The results are good and percentage of success is 85%. The method is being purused on a larger scale and this development is a decided advance in the planting technique f Eucalyptus. The overall cost of these bricks is less than the polythene bags about 0.02 paise for each brick.

In the dry zone, tractor ploughing resulting in deep soil working and planting has given excellent results. But the heavy machinery for ploughing is not available all over. An alternative method to ensure deep soil working and retention of mositure was tried by uthor. Continuous **contour** trenches at interval of 6′, between trenches, size of trench ′ x 1′ in cross section are dug. They are half filled with soil. Seedlings of Eucalyptus re planted in trenches at intervals of 4′ or 6′, when the soil is soaked. This results in an ntensive plantation in the dry zone. This has been tried first by the author with about 8″ rainfall at Dalasanur in Kolar. The results are very good. Complete conservation of moisture combined with soil working is achieved by this intensive technique.

The planting of Eucalyptus has now been stepped up over the entire state. In view of the recent increased demand for Eucalyptus wood by the paper, the Rayon and Polyfibres etc, it is contemplated to increase the target of raising Eucalyptus atleast 22,000 acres per year in the rainfall belt of 50″ to 100″ to enable the plantations to be productive within a short time. Central assistance was directly forthcoming hitherto to this but it is no longer available. The possibility of having a corporation for raising plantations is under active consideration of the State Government.

Eucalyptus citriodora is raised by sowing of about half a dozen seeds directly on a raised mound 1′ cube in the regeneration areas at 6′ x 6′ or on the mounds of trenches. The species has been raised since over two decades by direct sowings in the Mysore State on well burnt areas and charcoal kiln sites with good results. It can also be raised in polythene containers 8″x2″ and planted out on the onset of the monsoon when seedlings are about 12″ to 18″ high. A third method adopted successfully was to sow a few seeds in a small depression made with the fore finger on the wet " **Pesmic brick** ". When the seedlings are of the right size they are planted out in the field. The area under Eucalyptus citriodora is gradually being increased.

Eucalyptus citriodora oil

Eucalyptus citriodora oil is being distilled out of herbage collected from the plantations of this species by direct sowings. The oil is supplied to the Government Soap Factory and is in great demand by the soap Factory. The herbage is collected by cutting out surplus shoots resulting from direct sowings retaining one to two stems to develop into pulp wood. There is a very great possibility of growing this species under high tension lines, telegraph and telephones lines and maintaining the crop in the form of bush by pollarding about 2–3′ above ground level and working the plantation for herbage to distil the oil.

The technique for raising **Eucalyptus grandis** is the same as that of hybrid with a little more care being exercised. Instead of storing the seed to avoid loss of viability, they are either sown in bamboo baskets, at headquarters, immediately on receipt of the seeds under shade or in nursery beds. They are transplanted later into polythene bags or " **Pesmic bricks** ". The method has proved very useful, handy and prevents storage of seed and loss in viability of the seeds due to storage of seeds.

Between the two i. e. Eucalyptus hybrid and Eucalyptus citriodora though the former puts on better height and girth for the same age; there is more variation in the girths of Eucalyptus hybrid while the trees are more uniform in their girths in the case of **Eucalyptus citriodora.** The recent plantations of **Eucalyptus hybrid** are not ripe enongh to cut and assess the rate of coppice regrowth. Large scale concentrated plantations have been raised from 1960 and 1961. Nevertheless the shortage of bamboos resulting from the gregarious flowering in most parts of the State, and satisfied by the usefulness of Eucalyptus wood for paper, chip board, wood wool and rayon grade pulp and even for plywood, the Paper Mills and Rayon Factory have started using more Eucalyptus wood. The yield with 500 stems per acre in the sixth year when the crop was felled was 13.00 tonnes per acre.

The requirement of the industrial wood in India in 1960 was 4.5 million tons. It was estimated to reach by 1975 to 9·5 million tons due to the increase in population as well as improvements in the living standards. It is further expected to go up by 1985 to 22 million tons (Mon-roy Von T. A. 1960). We are already experiencing shortage of industrial woods, Their prices are raising. A large quantity of newsprint and writing paper, and essential oils are being imported every year in the country. It is expected that the requirement of the industrial wood will double itself by 1975. The supplies are likely to increase at the most by 20% leaving a gap of about 4 million tons in 1975 and 7 million tons in 1985. India would face acute shortage of industrial wood and essential forest products. Von-Monroy advised the Government of India that 1.5 million acres should be selected in the most productive zones, and that 1,50,000 acres should be planted every year with fast growing species under a modern system of management. He suggested that the species should be carefully selected to suit the requirement and should be capable of yielding atleast three tons per acre per year in order to get 4·5 million tons of additional material of industrial wood by 1975 onwards. Mysore has thus tried to implement these suggestions. Its five year plans are oriented to achieve this. The State has raised 1,09,007 acres of Eucalyptus upto the end of 1968-69. This does not include ' Fuel plantations ' over 2,71,589 acres raised under Soil Conservation and Rehabilitation of Degraded Forests in the dry scurb zone, where also Eucalyptus and other species are raised. In the case of Eucalyptus plantations there would be no replanting cost for 2nd and 3rd rotations as the species coppices well. Thus the Forest Department is alive to the problem of production of more pulpwood per acre required by the industry, the current trend in the World Forestry.

The department is also alive to the problem of supply of the habitually used timbers by the population. To meet this requirement reserves of important species like Teak, Rosewood, Venteak, Bijasal, and Matti together with any matchwoods species present are retained, at about 20 to 25 per acre subject to availability. This is done in areas where large scale Eucalyptus plantations are raised in a concentrated manner. The natural seedlings and saplings of the important timber species are retained during weedings and cleanings to permit them to grow up; and form an intimate mixture. The retention of such trees, seedlings and saplings has not affected the growth or stocking of Eucalyptus.

Softwoods for matches and plywood.

The total demand of softwoods by various industries from Mysore, is of the order of 1·0 lakh tonnes, of which only about 50% is met with from the forests of the State. The bulk of these woods has to be supplied from the Tropical evergreen and semi-evergreen forests. The worked areas are treated by canopy lifting and tending operations to aid the regeneration and to promote better development of poles, smaller girth classes, and resorting to planting in gaps where regeneration is inadequate. Plantations of matchwoods have been raised since the advent of the five year plans on a greater scale. 33,393 acres have so far been raised with matchwoods and plywood species, upto 1968-69. The concentration until recent years was mostly on **Bombax malabaricum**, **Ailanthus excelsa** or **Ailanthus malabarica-matchwoods**, The State has also now been raising important peelable species like **Grevillea robusta, Vateria indica, Mangifera indica, Cedrela toona** and other

species used for plywood industry amidst the softwood plantations in recent years. This is another important progress. The tempo of raising softwoods is not keeping pace with the demand not only in Mysore but over the entire country either due to lack of adequate funds, staff or due to problems connected with the species tried.

Assuming a forty years rotation to reach at least 4'-6" in girth, under plantation conditions, with forty trees per acre in the final crop and yielding about 30 tons per acre, an annual area of nearly 2200 acres should be worked to meet the demand of softwoods in **Mysore State alone.** It is expected that after a few years, the yield from natural forests would be considerably reduced and about 33% of what we are now harvesting is likely to be available in the form of trees avaiable for selection fellings. The total acreage of plantations required to supplement the yield from natural forests in the State is of the order of 88000 acres. We have planted softwoods at present over 33,393 acres mixed with either Teak or Eucalyptus. The raising of softwoods for match, plywood and packing case industries has to be stepped up as a crash programme. What is required to be done in 40 years period should be planned to be done in the next ten years. The total outlay for the raising of 88000 acres would be of the order of 2.50 crores or 25 lakhs per year reckoning at Rs. 250/- per acre. This is one of the most important problems facing the Forest Department to-day. Shortage of funds under plan schemes is the limiting factor. Whether the State can afford to allot such huge amount or make the industry to contribute towards raising of more plantations, or agree to their request to lease out land to industries to grow the raw materials is a matter of policy and is a problem posed to-day. There is therefore, need for some very serious thinking on this issue at the highest levels.

Bamboo plantation and tending the Regeneration of bamboos.

Consequent on the gregarious flowering of **Bambusa arundinacea and Dendrocalamus strictus** extensive seed was available. Large stocks of seedlings of these species have been raised in the nurseries to take up intensive planting of bamboos on an extensive scale. The raising of bamboo plantations either intensively or by interplanting between trench mounds where rainfall is over 25 inches per year and where soil is good mixed with Eucalyptus species would increase the output of the raw material for paper and rayon considerably. It would also be readily available to the local people for fencing, hutting and basket making purposes. It is expected that nearly 3.0 lakhs of acres can be treated in this manner, with suitable modifications in the planting techniques according to locality. The seedlings of bamboos can also be raised in polythene containers 8" wide and 6" to 8" long. When about 18" to 2' high they are planted in specially designed pits 3' in diameter with two rills like a pair of antennae to divert water from the upward slope into the pit. This has given good results in area of low rainfall. It can also be raised by means of offsets from the nursery stock as well as offests from naturally regenerated areas in heavier rainfall areas. The raising of bamboo over 3.0 lakhs of acres is likely to step up the raw matersal to the extent that it could feed a paper plant of 60 tons capacity in addition to supplementing bamboos required for local consumption. This would again involve a large outlay. Assuming Rs. 160/- per acre as the expenditure to raise 300 lakh acres the outlay would be about 4.80 crores of rupees. The raising of such a large area of this long fibered material will result in augmenting more supplies to pulp and rayon

factories. The raising of bamboos should be stepped up all over the country to enable us to be self sufficient regarding pulp and to export bamboo pulp to the world market. Grazing and trampling by buffaloes and cattle is a serious threat to to the development of bamboo regeneration. It is necessary that this naturally regenerated area should be duly fenced and protected This obviously means high initial cost but it is a **must** if we are to quickly rehabilitate the bamboo areas. If the department cannot find funds to take up this, the concerned Paper Mills to whom the bamboos are earmarked could be made to undertake this work.

Spacing out bamboo regenerations

Where bamboo have seeded regeneration has come up in the form of impenetrable masses. It would take quite sometime for the culms to develop and also for clump formatie on due to competition within themselves It is necessary io space out the regeneration of bamboo in these flowered areas. But it is a costly operation and it is not possible with the limited funds available at the disposal of the Forest Department. The West Coast Paper Mills, Dandeli have resorted to this work of spacing out the bamboo regeneration initially at 10′x10′ and after a couple of years increased the spacing to 20′x20′ or 22′x22′ in the area leased to them. The cut materials are also used by Paper Mills. The results are interesting. The retained clumps of bamboo have responded well to the treatment. This is also followed by planting of Bambusa arundinacea rhizomes from natural forests. Chemcial fertilizer (N. P. K. 2:1:2) is also applied during premonsoon season in the second, and fourth years of planting at the rate of 225 grams per plant. This is also followed by " bharav " and a 6″ deep semi circular trench about 2′ away from the plant to consevre the moisture. Nearly 50,000 acres have so far been planted and about 10,000 acres of regeneration spaced out till to date. This spacing work has also to be done in our other bamboo flowered areas. If the Department has no funds, it would be worth while asking the concerned mills taking up this work at their cost to ensure quick development of the raw materials.

Exotic bamboos

Dendrocalamus brandisii, had been grown in a plot at Makut in Coorg. As a result of flowering a large quantity of seeds were collected and distributed to different divisions in the State. Seedlings were raised in the nurseries and planted out in the field, with the result we have now several little foci in different areas in the State from which rhizomes are collected for further propogation of this species. The largest area is a 100 acres of **Dendrocalamus brandisii** plantations raised during 1963–64 at Hanagere in Shimoga District at 22′ x 22′ with Eucalyptus citriodora at 4′ x 4′ in between the bamboo. The **Eucalyptus citriodora** is now heing pollarded for oil and maintained as a bush and bamboo allowed to grow. Adequate quantities of rhizomes of **Dendrocalamus brandisii** to extend the area of plantations are now got from this plot. Being thornless, it facilitates working considerably.

Anacardium occidentale (Cashew)

37428 acres of Cashew plantations have been raised in the State upto 1968-69. It is proposed to plant another 15 to 20,000 acres during the next five years. Cashew, is mainly

raised on laterite soils along the West Coast, lateritic hills top, as well as in the red soils on the plateau. It is raised either by dibbling a couple of nuts in situ at an espacemeot of 20'X20', or by planting out seedlings raised in polythene containers (8"X5") in 1½' cube pits after addition of some leaf manure into the pits before planting. The results have been good. Here again, follow up operations like soil working in subsquent years, manuring and other operations are limitied, to the availability of funds. With soil working and manuring regularly the Cashew plant would be quickly productive. The question of giving this treatment to all the recent cashew plantatiops within a short period is under consideration. Our Cashew plantations would be most valuable from the point of view of earning foregin exchange.

Tamarindus indica

Tamarind is generally sown with other species inside the trenches and on the mound of trench mound plantations raised under the scheme Soil Conservation and Afforestation and Rehabilitation of Degraded Forests in the dry zone. Pure plantations of tamrind are raised under the scheme 'Development of Minor Forest Produce' on a limited scale, by planting seedlings raised in polythene bags in pits with suitable modification for water conservation in these pits. These have given good results. Sowings in the trenches have resulted in as very large number of plants of Tamarind in different stages of development. The tamarind plants are being encouraged to grow faster by freeing them from suppression, soil working around them and some times manuring them on a limited scale. If this is pursued on an intensive scale the resulting tamarind plantations can prodcue adequate raw material to enable us to consider the installation of a plant for the manufacture of cream of Tartar and tartaric acid now being imported.

Other miscellaneous species.

In all the trench mound plantations the other economically useful species like **Pongamia glabra, Bassia latifolia, Azadirachta indica** which yield oil seeds, **Wrightia tomentosa** which yields turnery wood for lacquer ware, **Albizzia lebbek, Eucalyptus hybrid, Cassia siamea, Hardwickia binata, Acacia arabica** and **Dalbergia sissoo,** to yield firewood and small timber and match woods like Aliantus excelsa are raised on a large scale.

Sandal (Santalum alum)

Mysore holds the monopoly for Sandal. Nearly 2600 tons are supplied annually to the 2 Sandal Oil Factories though their demand is for 3000 tons. The extraction of sandalwood is confined to removal of dead trees on account of spike disease and overmature trees. The seeds of sandal are also dibbled on the mounds of trenches, in the dry zone, along inspection paths of plantations of teak and other species. There are extensive tracts and considerable scope for increase of sandal in the dry zone and this is being done on a large scale. The spike disease of saudal is still posing a problem, and research is in progress to control the disease. Here again the stock of sandalwood is getting depleted both on account of increased demand by the Sandal Wood Oil Factories and due to smuggling of Sandal to places outside Mysore. The smuggling prevention staff of the department as

well as police department have been taking effective steps to control the smuggling of sandal. There is need to step up the regeneration of sandal both by dibbling seeds under bushes in natural forests as well as in trench mound areas and plantations all over the State. This is being done.

Tan Barks

Cassia auriculata and **Cassia fistula** are the two species which fetch high price as the bark is used in the tanning industry. The release of large extent of land for agriculture in the plains has had a set back in the revenue from these two species due to reduction of area. Seeds of **Cassia auriculata** are however sown at the toe of the mounds of trench mound plantations. The results are very good. By continuing this technique all over the State in the dry zone there would be increased production of this raw material and better revenue to the State.

Myrobalams

Terminalia chebula and Terminalia belerica and Phyllanthus emblica are the important myrobalams. The right for collection of myrobalams ~~are~~ is sold out. A sizeable revenue is obtained by the State by the sale of the right to collect fruits of specially **Terminalia chebula** (Harda). Efforts are made to raise this species and plant out to increase the stocking under the scheme Development of Minor Forest Produce.

Rosha Grass.

Mysore State has considerable areas under Rosha or palmarosa grass. The right to collect is sold by tender cum auction and the purchasers distil the grass locally. Most of the oil is exported.

Bursera delpechiana (lineloe).

Mysore is the first State in India to raise large scale plantations of **Bursera delpechiana** (lineloe) 1586 acres of plantations have been raised to date around Bangalore. The oil is distilled from the husks of berries. This lineloe oil is now imported into India to meet the requirements of perfumeries and soap industries. The Government is intending to increase the area under Bursera delpechiana.

Mentha arvensis.

This is another species which is largely cultivated in Shimoga, and Belgaum Circles The root stock was developed at Sagar out of about 25 cuttings obtained by the author from the Central Indian Medicinal Plants organisation in 1961. The root stock is now being sent to different divisions in the State and attempts are being made to increase the acreage under Mentha and make the production of menthol a commercial proposition.

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Rubber plantations.

The successful raising of Rubber plantations is a recent venture of the Forest Department in Mysore. 4872 acres have already been raised in South Kanara. The first plantation is being tapped. It is expected to cover nearly 80,000 acres under rubber.

Cocoa.

The department has also raised 100 acres of Cocoa and the area under this species is being extended.

Experiments with Exotics.

The Research wing is actively conducting experiments regarding the introduction of tropical pines, African species poplars and essentical oil yielding plants like pacholi and a host of other problems.

Five year Plans in Mysore.

During the first two plans, there was a stress on raising teak plantations, matchwood plantations,development of communications, improved methods of logging,installation of new treatment plants and expansion of the already existing wood treatment plant at Bhadravati. During the third Five Year Plan importance was given to the raising of plantations of Fast Growing Species to cater to the needs of wood based industries, in particular pulp and paper, and firewood to the Mysore Iron and Steel Ltd. The raising of large scale plantations of Eucalyptus produces increased output per acre than natural forests, within a short time. We are now heading on to a pulp age and should endeavour to rise to the occasion to make best use of all the available material at site and to produce the maximum quantity of the desired material within the shortest time. To this extent our systems have to be possibly modified if not radically changed, ofcourse without losing sight of the requirements of the local population and other supplies to be met with so far as large timber is concerned.

STATEMENT SHOWING THE DETAILS OF PLANTATIONS OF DIFFERENT SPECIES RAISED BY THE DEPARTMENT.

Period	Teak	Soft wood.	Cashew.	Fuel & other misc. species.	Eucalyptus.	Rubber.	Linaloe.	Cocoa.	Oil Palm.
1	2	3	4	5	6	7	8	9	13
Plantations at the end of II Plan.	1,21,652	8,052	11,505	1,18,852	5120	—	150	—	—
During III Plan.	49,360	14,970	16,052	1,04,208	45,419	1,267	1,151	—	—
Annual Plans.									
During 1966-67 1967-68 1968-69	25,887	10,371	9,871	48,529	58,568	3,605	285	—	—
Grand Total.	1,96,899	33,393	37,428	2,71,589	1,09,107	4,872	1,586	100	2

The Master Plan.

In keeping with the changes in the concept of forestry all the World over Mysore State has been considering adoption of a Master Plan for forestry development in the State. Its planning has been consistent and is an integrated affair. Importance has been given to the soil and water conservation and stress is laid on the present and future demand of the local people and the wood based industries.

Our rich forests lie generally in the area with over 40" of rain fall. Our moist and dry deciduous forests (3,868 sq. miles) provide the maximum revenue, because, the important species like Teak, Rosewood and other hardwood timbers grow in this zone. The evergreen and semi-evergreen forests (1,315 sq. miles) yield the bulk of the softwood timber required for the match and Plywood industries. The two zones yield nearly a lakh of tons of hardwood and softwood timber for other supplies and sales in our Depots. Besides this, the State supplies nearly ten lakhs Cft. of sleepers to Railways frow these two zones ot Forests. The bulk of the bamboo supplies required for the paper and rayon industry grow in the dry deciduous and the moist deciduous forests.

This richer forest tract is a narrow belt from North to South in the State. Most of our Power and irrigation projects, high tension lines for electricity lie and pass through in this zone, affecting adversely on the forest wealth of the State. Power projects are no doubt necessary for the industrial development of the State. Irrigation projects are also required for increased food production and development of our agricultural economy. But let us remember, in this connection, that forestry is no longer a handmaid of agriculture but it is its "**foster mother**". Unless the catchments of these projects, and the inumerable tanks are properly protected by growing and mantaining forests, the life of these projects would be shortened, due to their getting gradually silted up lessening their capacity. It is common to find areas where lands in the catchment of tanks and on river banks have been given away for cultivation. This should be avoided if our projects are to be preserved. The valuable timber trees required for the nation building activities like ship building, Railway sleepers, Carriage and the Defence requirements, cannot be grown within the dry zone as well as we conld grow them in the high rainfall belt. Wood based, pulp and paper indusries at considerable cost are established and more are being established. To supply adequate raw materials required for the industry, it is nececsary that our rich forest should be preserved, and better developed to meet industrial demand as the conditions of soil and moisture are congenial for the rapid growth of the species yielding the raw material within a limited time. These raw materials cannot be grown in areas of lesser rain fall and poorer soils. It is, therefore, necessary that we should preserve good forest areas we have in this narrow western belt.

Out of 13:598 sq. miles of forest area 8,420 Sq. miles are covered by dry thorn or scrub forests, which is 61 percent of the total area. There are in addition nearly sixty four lakhs acres of land which is reported to be unsuitable for cultivation and where forestry can be practised. The need for increased afforcstation programme in the developing economy of our country needs no emphasis. Time and again, stress has been paid for

afforestation programme on an increased scale. Our per capita forest area is 0.46 acres against 0.54 acres for India. This is too little.

4. For the first time in the history of the State, Government of Mysore rightly ordered the holding of Seminars on Afforestation, Vanamahostsava and Farm forestry at the taluk level, District level and the State level. This is a great step towards the awakening of the minds of the public towards development of forest wealth. Except for Sandal and poor quality firewood and to a certain extent Minor forest Produce like Alale, Thangadi, Tamarind etc.. this dry zone which forms the largest extent of our forest area, yields hardly a revenue of 0·5, crore to the State. There is great dearth for fodder, manure leaf and small timber both for the cultivator and to the common man. It is found difficult to get even cheap hutting and thatching material for the ordinnry villager in this zone These materials have to come from the richer forest tract from the west at considerable increased costs. The countryside in summer months gets scorched due to heat. Dessicating winds carry away the top soil in the hot weather. Rainfall is erratic. There are a large number of small, medium and big irrigation tanks which hardly get filled up annually and which are gradually getting silted up. Nomadic shepherds and cowherds ean be seen with their flocks of sheep and goats, and cattle roaming anxiously in search of a blade of grass and fodder in summer and trying to lop heavily the nearest avenue tree on the roadside. Dearth for firewood has told on the avenue trees, as well as on the precious cow dung which could be alternatively used as manure on the farm To the traveller he has to search for a decent shady tree enroute to lunch and rest after a tireseme drive on a hot afternoon.

Farm forestry is a very important mode of improvement of the forest wealth in the country. Planting up of trees on the berms of cultivation, earmarking an area of the farm land for the forest crop which will serve as the treasure house for supply of firewood, manure and small timber for the cultivation, the planting of wind belts and shelter belts are all involved in this. An excellant example of farm forestry can however be seen around Bangalore in the Casuarina plantations raised on the private holdings. There are large holdings in the State. It should be possible that at least 5 to 10 percent of each holding must be put on tree crop. If every cultivator becomes self sufficient regarding his firewood requirement, it would indeed be a great achievement. We should aim at this. Each village or a Panchayat should try to become selt sufficient for its firewood needs. Each Panchayat should plan and aim at raising forests over 20 to 25 percent of its land area utilising all the available common land around the villages not suited to agriculture for growing trees. If this is done in addition to growing trees on the farm. then we will have a lot of potential wealth besides ameliorating affect on the climate and improving the economy of the Panchayats. It is with this hope that the State Government started the holding of forest seminars, to make people realise the importance of growing of trees.

Many trees can be grown on the farm land in the drier areas, with advantage, e. g. usufruct trees like **Tamarind, Harda' Jamun, Babul, Neem**, etc. Tamarind trees should be a must on the farm land as it is a good source of revenue to the farmer. Bamboos can always be intoroduced on the village common land, on berms of cultivated lands and water courses etc. This would provide roofing material and raw material for medars for basket

making. Eucalyptus is another species which grows well on the farm land to provide within a short time firewood and agricultural implements, It is needless to mention the value of babul, neem and other local species as their utility is well known to the Indian farmer.

We should prevent clearance of forests at least to a width of about 500 yards on either banks of our main rivers for cultivation. The catchments of tanks should be afforested by adoption of proper soil conservation measures like contour trenches and check dams to prevent erosion and silting up of the tanks. The roadside avenues should be planted 2 or 3 rows deep and should be properly looked after besides providing small groups of trees or topes at convenient places along our National High Ways to facilitate the travellers to halt and rest. These measures combined with farm forestry practices will prevent silting up of our irrigation and power projects, render the travellers pleasant shade, prevent the dessication of soil on our fields and keep the fields cool, prevent high winds carrying away the top soil, provide fodder for animals, manure leaf, firewood and small timber to the people. It is incumbent that afforestation should be given a higher priority in the programme of works of the Panchayats and Taluk Boards.

The Seminar held at the State level, discussed various problems connected with these subjects. Over 200 representatives from all over the State attended it. The discussions were thought provoking and valuable, and action is being taken to implement the suggestions of the seminar. What is required is the will and enthusiasm of men of affairs at the Panchayat and Taluk level and the public. The Forest Department is always ready to furnish technical advice and planting stock. The earnest co-operation of the 4 Departments, Revenue, Agriculture, Forest and Panchayat Raj, is a MUST to achieve this.

SL. No. 13

115 42

GOVERNMENT OF MYSORE

No. AFD 1 FAP 69(Part VII)

MYSORE GOVERNMENT SECRETARIAT,
VIDHANA SOUDHA,

Dated, Bangalore,.....196

FROM

The Secretary to the Government of Mysore,
Agriculture & Forest Department.

The Chief Conservator of Forests
in Mysore, Bangalore.

The Chief Conservator of Forests
(Development), Bangalore.

Sir,

Sub: Particulars with regard to the fast growing species.

I am directed to forward herewith a copy of proceedings of the meeting held in the Chambers of the Development Commissioner, on the 25-4-1970 on the subject cited, and to request you kindly to prepare the revised scheme in accordance with the decision arrived at the meeting and forward the same so as to reach Government by 10th instant.

Yours faithfully,

(S. Balasubramanyan)
i/c Deputy Secretary to Government,
Agriculture & Forest Department.

Copy with a copy of the proceedings ~~of~~ is forwarded to the Conservator of Forests, Working Plans & Development Circle, Bangalore for necessary action.

ISSUED

Date 6.5.1970

hns/5-5/

Proceddings of the meeting held in the Chambers of the Development Commissioner on the 25th April 1970 at 10-30 A.M. to consider the setting up of the Forest Corporation.

PRESENT:

1) Development Commissioner.
2) Sri B.Rudramoorthy, Managing Director, Agricultural Finance Corporation.
3) Secretary to Govt., Agri. & Forest Department.
4) Deputy Secretary to Govt., Agri. & Forest Department.
5) Conservator of Forests in charge, Working Plans & Development Circle.
6) Addl. Technical Assistant to the Chief Conservator of Forests.
7) Technical Assistant to the Chief Conservator of Forests(Dev.)
8) Divisional Forest Officer, Working Plans & Forest Resources Survey, Bangalore.
9) Under Secretary, Agri. & Forest Department(Forest).

The Managing Director, Agricultural Finance Corporation stated that assuming the average yield of Eucalyptus per acre at 30 tons and taking the cost at Rs.~~25/~~ 24/- per ton, the average yield per acre can be taken to be Rs.720/-. As worked out by the Chief Conservator of Forests the average cost of production is Rs.207, the over heads Rs.35/- and assuming the rate of interest at 6% per annum the total cost would be roughly Rs.207 + 35 + 120 per acre or say Rs.360/-. So the profit over a period of ten years would be Rs.720 - 360 = 360/- per acre for ten years i.e. Rs.36 per annum. If land is leased to the industry it would be prepared to take it on lease at a rental of Rs.50/- per acre. It has been ~~proed~~ proved by study that in areas having a rainfall of 30 inchs and over, it would be possible to get an yield of 35 tons per acre. If citronella species is grown along with other species of Eucalyptus it would be possible to establish profitablly a subsididry oil Industry. When the industry is prepared to pay Rs 50/- per acre per annum as lease rent, it should be possible for the forest department to get an average return of Rs.50/- per acre per annum by taking up plantations in appropriate areas ~~xxxxxx~~ having a rainfall of at least 30 inches. Raising of Eucalyptus in areas having less than 20" rainfall might not be profitable. Further in the scheme sent to him the estimated expenditure towards establishment is about 14% which is on the high side. The Managing Director indicated that the expenditure on staff should not be more than Rs.7% and that the scheme has to be recast with the assistance of a cost accountant. He further indicated that besides Eucalyptus, bamboo plantations should also be raised by the proposed Corporation as the paper and pulp industry require both Eucalyptus and bamboo in certain proportions. He also stated that susbania which is useful to the pulp industry may also be grown. He further stated that the rate of interest at which the corporation can borrow money would be 7%. He further ~~xxx~~ indicated that the memorandum and articles of association of the proposed Corporation may be drawn up on the lines of the one drawn up by the plantation corporation of Kerala. He also indicated that he would send a cost accountant to Bangalore for scrutiny of the revised scheme after it is drawn up and that he would be in Bangalore on leave and would be available for consultations for about 3 weeks from the 10th of May.

The Development Commissioner stated that the entire area containing Eucalyptus plantations and the area which is proposed to be taken up for raising Eucalyptus plantations should be transferred to the Corporation which would be the Government's share of the Corporation. To assess the value of the land to be so transferred, barren lands may be taken at Rs.100/- per acre while areas containing plantations may range from Rs.100/- to Rs.200/- per acre on a slab system taking into account the age of the plantations raised. There would be a small

contd.2.

organisation for the Corporation at its headquarters and the supervisory staff could be the departmental staff. Only the field staff would belong to the Corporation. In the revised plan drawn up for a much larger area the expenditure on the establishment has been kept at about 7%. The total area that is proposed to be transferred to the Corporation is about 5 lakhs acres. The Development Commissioner observed that it should be properly surveyed and assessed to ensure that only such areas which are considered useful and would yeild good results should be chosen. The area to be made over to the Corporation should therefore be worked out in great detail taking into account its proximity to the industry. The Development Commissioner further indicated that the Corporation would be prepared to have a consultatant to advise it and that any cropping pattern which is considered to be technically and economically feasible would be taken up. As the Managing Director of the Agricultural Finance Corporation has pointed out that the industry would be prepared to take up Government lands on a rental of Rs.50/- per acre per annum the forest department would also strive to realise Rs.50/- per acre per annum. The Development Commissioner desired the Forest Officers to recast the plans within a week with the assistance of a cost accountant Sri Gopalakrishna of the State Accounts Department whom the Deputy Secretary, Finance Department (Works & Schemes) promised to spare for about a week to the Forest Department making provision for plantation of bamboo also and to finalise the scheme after drawing up a time schedule so that the scheme could be finalised by the 10th June and the Corporation set up by then to enable planting work to commence at the latest by the 1st July 1970. As a suggestion for taking up Rubber Plantations was mooted, the Development Commissioner stated that it would be better to confine ourselves now to the Eucalyptus and bamboo plantations. He further observed that repayment of the loan should commence from the 3rd year and that Government would be satisfied if it gets at least a return of 4% on the investment from the Corporation.

SL. M. 12 39 118

GOVERNMENT OF MYSORE

No. AFD 1 FAP 60(Part III)

MYSORE GOVERNMENT SECRETARIAT,
VIDHANA SOUDHA,

Dated, Bangalore,.....196 .

FROM

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in Mysore, Bangalore.

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3) Secretary to Govt., Agri. & Forest Department.
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AFD I FAP 69 (Part III) 121 36

To

The C.C.F.
The C.C.F (Dev)

Sir,

Sub:- As at p. 4/cf.

(1) P. 5-8/cf.

I am directed to fd. h/w a copy of proceedings (1) of the meeting held in the chambers of the Dev. commr. on the 25/4/70 on the subject cited, and to request you kindly to prepare the revised scheme in accordance with the decision arrived at, ~~at~~ the meeting and fd. the same, so as to reach Govt. by 10th inst.

Yours faithfully

P. T.O.

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Copy with a copy of the proceedings is fd. to the C.J. W.P&D circle B'lore for necy. action.

[illegible]

SL. No. 11 123 P.34

Proceedings of the meeting held in the Chambers of the Development Commissioner on the 25th April 1970 at 10-30 A.M. to consider the setting up of the Forest Corporation.

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4) Deputy Secretary to Govt., Finance Dept.(Works & Schemes)
5) Conservator of Forests in charge, Working Plans & Development Circle.
6) A.T.A. to Chief Conservator of Forests.
7) T.A. to C.C.F.(Development)
8) Divisional Forest Officer, Working Plans & Forest Resources Survey, Bangalore.
9) Under Secretary, A & F.Department (Forest).

The Managing Director, Agricultural Finance Corporation stated that assuming the average yield of Eucalyptus per acre at 30 tons and taking the cost at Rs.24/- per ton, the average yield per acre can be taken to be Rs.720/-. As worked out by the C.C.F., the average cost of production is Rs.207, the over heads Rs.35/- and assuming the rate of interest at 6% per annum the total cost would be roughly Rs.207+ 35 + 120 per acre or say Rs.360. So the profit over a period of ten years would be ~~Rs.720/-~~ Rs.720 - 360 = Rs.360/- per acre for ten years i.e. Rs.36 per annum. If land is leased to the industry it would be prepared to take it on lease at a rent of Rs.50/- per acre. It has been ~~proud~~ proved by study that in areas having a rainfall of 30 ~~xxxx~~ inchs and over, it would be possible to get an yield of ~~Rs~~.35 tons per acre. If citrenella species is grown along with other species of Eucalyptus it would be possible to establish profitablly a subsidiary oil Industry. When the industry is prepared to ~~pay~~ pay Rs.50/- per acre per annum as lease rent, it should be possible for the forest department to get an average return of Rs.50/- per acre per annum by taking up plantations in appropriate areas having a

contd.2.

having a rainfall of at least 30 inches. Raising of Eucalyptus in areas having less than 20" rainfall might not be profitable. Further in the scheme sent to him the estimated expenditure towards establishment is about 14% which is on the high side. The Managing Director indicated that the expenditure on staff should not be more than Rs.7%/ and that the scheme has to be recast with the assistance of a cost accountant. He further indicated that besides Eucalyptus, bamboo plantations should also be raised by the proposed Corporation as the paper and pulp industry require both Eucalyptus and bamboo in certain proportions. He also stated that susbania which is useful to the pulp industry may also be grown. He further stated that the rate of interest at which the Corporation can borrow money would be 7% . He further indicated that the memorandum and articles of association of the proposed Corporation may be drawn up on the lines of the one drawn up by the plantation Corporation of Kerala. He also indicated that he would send a cost accountant to Bangalore for scrutiny of the revised scheme after it is drawn up and that he would be in Bangalore on leave and ~~that he~~ would be available for consultations for about 3 weeks from the 10th of May .

The Development Commissioner stated that the entire area containing Eucalyptus plantations and the area which is proposed to be taken up for raising Eucalyptus plantations should be transferred to the Corporation which would be the Government's share ~~of the Corporations~~ of the Corporation. To assess the value of the land to be so transferred, barren lands may be taken at Rs.100/- per acre while areas containg plantations may range from Rs.100/- to Rs.200/- per acre on a slab system taking into account

the age of the plantations raised. There would be a small organisation for the Corporation at its headquarters and the supervisory staff could be the departmental staff. Only the field staff would belong to the Corporation. In the revised plan drawn up for a much larger area the expenditure on the establishment has been kept at about 7%. The total area that is proposed to be transferred to the Corporation is about 5 lakhs acres. The Development Commr. observed that it should be properly surveyed and assessed to ensure that only such areas which are considered useful and would yeidd good results should be ~~xxxxx~~ chosen. The area to be made over to the Corporation should therefore be worked out in great detail taking into account its proxamity to the industry. The Development Commr. furfher indicated that the Corporation would be prepared to have a consultatnt to advise it and that any cropping pattern which is considered to be technically and economically feasible would be taken up. As the Managing Director of the Agricultural Finance Corporation has pointed out that the industry would be prepared to take up Govt. lands an a rental of Rs.50/- per acre per annum the forest department would also strive to realise Rs.50/- per acre per annum. The Development Commissioner desired the Forest Officers to recast the plan within a week with the assistance of a cost accountant Sri Gopalakrishna of the State Accounts Department whom the Deputy Secretary, Finance Department (Works & Schemes) promised to spare for about a week to the Forest Department making provision for plantation of bamboo also and to finalise the scheme after drawing up a time schedule so that the scheme could be finalised by the 10th June and the Corporation set up by then to enable planting work to commence at the latest

contd.4.

latest by the 1st July 1970. As a suggestion for taking up Rubber Plantations was mooted, the Development Commissioner stated that it would be better to confine ourselves now to the Eucalyptus and bamboo plantations He further observed that repayment of the loan should commence from the 3rd year and that Government would be satisfied if it gets at least a return of 4% on the investment from the Corporation.

SL. NO. 30 . 127 . P. 30

GOVERNMENT OF MYSORE

No. AFD 1 FAP 69(Part III).

MYSORE GOVERNMENT SECRETARIAT,
VIDHANA SOUDHA,

Dated, Bangalore,..... 196

FROM

The *Secretary to the Government of Mysore*
Agriculture & Forest Department.

To The Chief Conservator of Forests
in Mysore, Bangalore.

Sir,

Sub: Particulars with regard to the fast growing species.

I am directed to request you kindly to furnish information on the following:-

1) the amount spent on the implementation of the scheme of fast growing species during 1969-70. (Division-wise figures may be furnished).

2) The break-up of the amount spent towards maintenance and fresh plantations per acre.

3) The area covered by plantation and maintenance in each Division during the year;

4) The cost worked out per acre in each Division towards plantation and maintenance.

5) The plan or sketch showing the area of fresh plantation and maintenance of the species may also be got prepared and sent.

As the above particulars are urgently required, they may be sent by 10th May 1970.

Yours faithfully,

Sd/-

(S.Balasubramanyan)
i/c Deputy Secretary to Government,
Agriculture & Forest Department.

hns/25-4/

ISSUED
Date 25/4/70

AUTHORISED FOR ISSUE
Section Officer.
Mysore Government Secretariat

AFD 1 FAP 69 (Part III)

128 P. 29

To

The C.C.F.

Sir,

Sub:- particulars with regard to the fast growing species -

I am directed to request you kindly to furnish infn. on the following :-

1. The amount spent on the implementation of the scheme of Fast Growing Species during 1969-70. (Division wise figures may be furnished)

2. The break-up of the amount spent towards maintenance and fresh plantations per acre

3. The area ~~planted and the~~ covered by plantation and maintenance in each Dn. during the year.

4. The cost worked out per ~~acre~~ acre in each Dn. towards plantation and maintenance.

5. The plan or sketch showing the area of fresh plantation and maintenance of the species may also be got prepared and sent.

As the above particulars are urgently required, they may be sent by 10th May 1970

Y. F.
23/4/70
U/S A.P.C.

Sl. no. 9 129 P 28

No.AFD 1 FAP 60(Part III)

Sub: Establishment of Forest Corporation in the State.

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NOTICE.

In order to obtain financial Assistant from the Agricultural Finance Corporation Ltd., for the establishment of the Forest Corporation in the State, a meeting with the following officers has been arranged with ~~Sri B.Rudramoorthy~~, Managing Director, Agricultural Finance Corporation Ltd., in the Chambers of the Development Commissioner on Saturday the 25th April '70 at 10-30 A.M. The concerned Officer are, requested to kindly make it convenient to attend the said meeting.

1) Development Commissioner.
2) Managing Director, Agricultural Finance Corporation Ltd
2) Secretary, Agri. & Forest Dept.
3) Secretary, Finance Department.
4) Chief Conservator of Forests (Dev)
5) Chief Conservator of Forests
6) Conservator of Forests, Working Plans & Dev. Circle., Bangalore
8) Dy. Secy. A & F Dept.

ISSUED
Date 16-4-1970

U/S., A & F.D. (Forest)

To
Sri B.Rudramoorthy, Managing Director,
Agricultural Finance Corporation Ltd.,
Stadium House, Block-2, Sixth Floor, 81-83,
Nariman Road, Bombay-20, This has reference to D.O. letter No.DPC 845 ARC 70 dated 14-4-1970 addressed to you by Sri S.V.Prabhu, Under Secretary to Govt., D.H.P.C.Department.

2) The C.C.F.
3) The C.C.F.(Dev.)
4) P.A. to Dev. Commr.
5) P.A. to Secy., A & F.D.
6) P.A. to Secy., F.D.
7) P.A. to Dy.Secy., A & F.D.
8) P.S. to Min. for Forests.for information, with a request to kindly to return the main file No. AFD 1 FAP 69 for the meeting.
9) D.H.P.C. Dept.

SL. NO. 8 P. 27

S.V.PRABHU,
Under Secretary to Government,
D.H.P.C *Department.*

MYSORE GOVERNMENT SECRETARIAT,
"VIDHANA SOUDHA,"
BANGALORE-1.

130

D.O. No. DPC 45 ARC 70.

Dated April 14-4-1970.

Dear Shri

Would you kindly recall the discussion we had on the telephone today about the next meeting of the Forest Corporation to be held in Bangalore?

I confirm that the meeting will now be held at 10-30 A.M. on Saturday the 25th April 1970 in the Chambers of the Development Commissioner, First Floor, Vidhana Soudha, Bangalore-1.

Notices of the meeting are being issued from the Agriculture and Forest Dept separately.

With kind regards,

Yours

Sd/- S.V.Prabhu

Shri.B.Rudramoorthy,
Managing Director,
Agricultural Finance Corporation, Ltd.,
Stadium House, Block-2, Sixth Floor,
81-83, Nariman Road, BOMBAY-20.

pto

131

Copy to the Secretary, Agriculture and Forest Department, M.G.S. for necessary action.

(S.V.PRABHU)
Under Secretary to Government
D.H.P.C.(Dev)

MURTHY/13-4)

Sr. No. 7 — P. 26
132

GOVERNMENT OF MYSORE

No. AFD 1 FMP 69.

MYSORE GOVERNMENT SECRETARIAT,
VIDHANA SOUDHA,

Dated, Bangalore,.....196 .

FROM

The Secretary to the Government of Mysore,
Agriculture & Forest Department.

To The Chief Conservator of Forests
in Mysore, Bangalore.

The Chief Conservator of Forests
(Development), Bangalore.

Sir,

Subt Establishment of Forest Corporation
in the State.

I am directed to forward herewith a copy of the proceedings of the meeting held in the Chambers of the Minister for Forests on 25th April 1970 on the subject cited, for taking further needful action in accordance with the decision taken in the matter.

Yours faithfully,

(S.Balasubramanyan)
Under Secretary to Government,
Agriculture & Forest Department.

Copy with a copy of the proceedings of the meeting is forwarded to the Conservator of Forests, Working Plan & Development Circle, with a similar request

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ISSUED
Date 11-5-1970

bns/11-5/

133 P.25

Proceedings of the meeting held in the Chambers of the Minister for Forests on the 25th April 1970 at 11.50 a.m. to consider the setting up of a Forest Corporation.

PRESENT:

1) Minister for Forests.
2) Sri B. Rudramurthy, Managing Director, Agricultural Finance Corporation.
3) Secretary to Government, Agriculture & Forest Department.
4) Conservator of Forests in charge, Working Plans & Development Circle
5) Additional Technical Assistant to Chief Conservator of Forests:
6) Technical Assistant to Chief Conservator of Forests (Development).
7) Divisional Forest Officer, Working Plans & Forest Resources Survey, Bangalore.
8) Under Secretary, Agriculture & Forest Department (Forest).

The Minister for Forests desired to know from the Managing Director, Agriculture Finance Corporation about the setting up of a Forest Corporation for development of the scrub and dry deciduous areas in the State.

The Managing Director, Agriculture Finance Corporation indicated that during the discussions held in the Chambers of the Development Commissioner earlier in the day and from the scheme drawn up by the Chief Conservator of Forests for setting up a Corporation for raising Eucalyptus Plantations it was assessed that the return from the Plantations would be Rs.36/- per acre per annum as the average yield from one acre was estimated at 30 tons and at Rs.24/- per ton the value of the yield would be Rs.720/- per acre. Against this over a ten year period the costs in the plantation would be Rs.207/-, the over heads Rs.35/- and interest Rs.120/- aggregating to about Rs.360/- per acre. The industry is prepared to take up on lease, land for raising the plantations on a yearly rental of Rs.50/- per acre. So the proposed Corporation should also be in a position to earn Rs.50/- per acre from the plantations.

The Minister for Forests observed that three crops from the Eucalyptus plantations should be taken into account to assess correctly the return. Not only eucalyptus should be raised but other economically useful species should be planted. Out of the total scrub area of about 25 lakh acres proposed to be taken up earlier only about 8 lakhs acres are now proposed to be taken up. The income to Government would be about Rs.131 lakhs per annum as follows:-

	Rs lakhs.
1) By clearfelling 16,000 acres per annum in dry deciduous forests at Rs.500/- per acre	80/-
2) By sale of 1,50,000 tons of Eucalyptus per annum to Harihar Polyfibers at Rs.24/- per ton.	36/-
3) By sale of firewood from 9,500/- acres in category I of scrub forests at 10 tons per acre and at Rs.16 per ton.	15/-
4) From 25,000 acres under category II of scrub forests.	20/-
Total	151 lakhs.

The Minister for Forests further observed that it is proposed to raise Eucalyptus plantations in dry deciduous forests at 16000 acre per annum and out of the scrub forest area under III categories only 47,500 acres would be taken up at the rate of 9500/- acres for a period of 5 years. In the balance area of scrub forests it is proposed to take up only 31,500/- acres for plantation mainly of economically useful species like Tamarind, Honge, Sandal, Nevu, Alale, Coconut etc. with an ad-mixture of Eucalyptus in suitable areas which would not only give a sustained annual yield after say about fifteen years but would also create an asset of about Rs.250/- crores.

The Managing Director, Agriculture Finance Corporation stated that the scheme sent to him about six months ago did not provide for repayment of

...2/-

loan and interest before the 10th year and that realisation from the yield should be set apart for repayment and that about 5 lakhs acres made over to the Corporation. He stated that while calculating the yield from the areas made over to the Corporation, the revenue from the Eucalyptus plantations need not be taken into account and that only virgin areas where Eucalptus plantations are to be taken up afresh, may be taken into account. This was agreed to by the Minister for Forests.

The Minister for Forests further observed that in ambitions scheme spread over a period of 43 years at an estimated cost of Rs53/- crors has been prepared to cover a large extent of the scrub forests besides deciduous forest are as otherwise, with the land hunger of the people a vast area out of the scrub forests would be occupied by the people for cultivation purposes. This is the main rason for taking up development of scrub forests. Rs275/- lakhs per year would be required for taking up plantations for about 20 years. The Minister for Forests gave a copy of the Rs53/- crors scheme drawn up, to the Managing Director of the Agricultural Finance Croporation who promised to study the scheme. The Minister for Forests further observed that the scheme should be finanlised early, and that a further meeting would be held as early as possible. He further directed that information should be obtained from all the Divisions about the expenditure incurred per acre on the Eucalyptus plantations raised during 1969-70. The Managing Director, Agriculture Finance Corporation stated that he would be available in Bangalore from the 10th May 1970 for about 3 weeks as he was coming here on leave and that the scheme could be discussed at the convenince of the Minister for Forests than.

First 5 years:

1) Dry decidious forests	16,000	acres per annum
2) Scrub Forests.		
(a) Category I	9,500	-do-
(b) Category II	25,000	-do-
(c) Category III	6,500	-do-
	57,000	-do-

After the first 5 years:-

1) Dry Decidious forests	16,000	acres per annum
2) Scrub Forests		
(a) Category II	25,000	-do-
(b) Category III	6,500	-do-
	47,500	-do-

The anticipated expenditure may be estimated at about Rs157 lakhs per annum thus

	Rs lakhs
1) Raising of Eucalyptus plantations on an area of 20,000 acres at Rs135/- per acre.	27/-
2) Raising of other economic species on an area of 37,000 acres at Rs350/- per acre.	129.50
	156.50.

-xxxx-

chandu.

Proceedings of the meeting held in the Chambers of the Minister for Forests on the 25th April 1970 at 11.30 a.m. to consider the setting up of a Forest Corporation.

PRESENT:

1) Minister for Forests.
2) Sri B. Rudramurthy, Managing Director, Agricultural Finance Corporation.
3) Secretary to Government, Agriculture & Forest Department.
4) Conservator of Forests in charge, Working Plans & Development Circle
5) Additional Technical Assistant to Chief Conservator of Forests:
6) Technical Assistant to Chief Conservator of Forests (Development).
7) Divisional Forest Officer, Working Plans & Forest Resources Survey, Bangalore.
8) Under Secretary, Agriculture & Forest Department (Forest).

The Minister for Forests desired to know from the Managing Director, Agriculture Finance Corporation about the setting up of a Forest Corporation for Development of the scrub and dry deciduous areas in the State.

The Managing Director, Agriculture Finance Corporation indicated that during the discussions held in the Chambers of the Development Commissioner earlier in the day and from the scheme drawn up by the Chief Conservator of Forests for setting up a Corporation for raising Eucalyptus Plantations it was assessed that the return from the Plantations would be Rs.36/- per acre per annum as the average yield from one acre was estimated at 30 tons and at Rs.24/- per ton the value of the yield would be Rs.720/- per acre. Against this over a ten year period the costs in the plantation would be Rs.207/-, the over heads Rs.35/- and interest Rs.120/- aggregating to about Rs.360/- per acre. The industry is prepared to take up on lease, land for raising the plantations on a yearly rental of Rs.50/- per acre. So the proposed Corporation should also be in a position to earn Rs.50/- per acre from the plantations.

The Minister for Forests observed that these crops from the Eucalyptus plantations should be taken into account to assess correctly the return. Not only eucalyptus should be raised but other economically useful species should be planted. Out of the total scrub area of about 25 lakh acres proposed to be taken up earlier only about 8 lakhs acres are now proposed to be taken up. The income to Government would be about Rs.131 lakhs per annum as follows:-

	Rs. lakhs.
1) By clearfelling 16,000 acres per annum in dry deciduous forests at Rs.500/- per acre	80/-
2) By sale of 1,50,000 tons of Eucalyptus per annum to Harihar Polyfibers at Rs.24/- per ton.	36/-
3) By sale of firewood from 9,500/- acres in category I of scrub forests at 10 tons per acre and at Rs.16 per ton.	15/-
4) From 25,000 acres under category II of scrub forests.	20/-
Total	151 lakhs.

The Minister for Forests further observed that it is proposed to raise Eucalyptus plantations in dry deciduous forests at 16000 acre per annum and out of the scrub forest area under III categories only 47,500 acres would be taken up at the rate of 9500/- acres for a period of 5 yea In the balance area of scrub forests it is proposed to take up only 31,50 acres for plantation mainly of economically useful species like Tamarind, Honge, Sandal, Nevu, Alale, Coconut etc. with an admixture of Eucalyptus in suitable areas which would not only give a sustained annual yield afte say about fifteen years but would also create an asset of about Rs.250/- crores.

The Managing Director, Agriculture Finance Corporation stated that scheme sent to him about six months ago did not provide for repayment of

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The Minister for Forests further observed that in ambitious scheme spread over a period of 43 years at an estimated cost of Rs.53/- crors has been prepared to cover a large extent of the scrub forests besides deciduous forest are as otherwise, with the land hunger of the people a vast area out of the scrub forests would be occupied by the people for cultivation purposes. This is the main reason for taking up development of scrub forests. Rs.275/- lakhs per year would be required for taking up plantations for about 20 years. The Minister for Forests gave a copy of the Rs.53/- crors scheme drawn up, to the Managing Director of the Agricultural Finance Corporation who promised to study the scheme. The Minister for Forests further observed that the scheme should be finanlised early, and that a further meeting would be held as early as possible. He further directed ~~x~~ that information should be obtained from all the Divisions about the expenditure incurred per acre on the Eucalyptus plantations raised during 1969-70. The Managing Director, Agriculture Finance Corporation stated that he would be available ~~x~~ in Bangalore from the 10th May 1970 for about 3 weeks as he was coming here on leave and that the scheme could be discussed at the convenience of the Minister for Forests than.

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1) Dry deciduous forests	16,000	acres per annum
2) Scrub Forests.		
(a) Category I	9,500	-do-
(b) Category II	25,000	-do-
(c) Category III	6,500	-do-
	57,000	-do-

After the first 5 years:-

1) Dry deciduous forests	16,000	acres per annum
2) Scrub Forests		
(a) Category II	25,000	-do-
(b) Category III	6,500	-do-
	47,500	-do-

The anticipated expenditure may be estimated at about Rs.157 lakhs per annum thus

	Rs.lakhs
1) Raising of Eucalyptus plantations on an area of 20,000 acres at Rs.155/- per acre.	27/-
2) Raising of other economic species on an area of 37,000 acres at Rs.350/- per acre.	129.50
	156.50.

-xxxx-

chandu.

P.21
137

Proceedings of the meeting held in the Chambers of the Minister for Forests on the 25th April 1970 at 11.50 a.m. to consider the setting up of a Forest Corporation.

PRESENT:

1) Minister for Forests.
2) Sri R. Nukamurthy, Managing Director, Agricultural Finance Corporation.
3) Secretary to Government, Agriculture & Forest Department.
4) Conservator of Forests in charge, ~~xxxx~~ Working Plans & Development Circle
5) Additional Technical Assistant to Chief Conservator of Forests:
6) Technical Assistant to Chief Conservator of Forests (Development).
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	Rs lakhs.
1) By clearfelling 16,000 acres per annum in dry deciduous forests at Rs500/- per acre	80/-
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loan and interest before the 10th year and that realisation from the yield should be set apart for repayment and that about 5 lakhs acres made over to the Corporation. He stated that while calculating the yield from the acres ~~xx~~ ~~xxxxxxxxxxxxxxxxxx~~ made over to the Corporation, the revenue from the Eucalyptus plantations need not be taken into account and that only virgin areas where Eucalyptus plantations are to be taken up afresh, may be taken into account. This was agreed to by the Minister for Forests.

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	156.50.

-xxxx-

chandu.

P.19
139

Proceedings of the meeting held in the Chambers of the Minister for Forests on the 25th April 1970 at 11.50 a.m. to consider the setting up of a Forest Corporation.

PRESENT

1) Minister for Forests.
2) Sri R. Nilakantha, Managing Director, Agricultural Finance Corporation.
3) Secretary to Government, Agriculture & Forest Department.
4) Conservator of Forests in charge, Koot & Working Plans & Development Circle.
5) Additional Technical Assistant to Chief Conservator of Forests.
6) Technical Assistant to Chief Conservator of Forests (Development).
7) Divisional Forest Officer, Working Plans & Forest Resources Survey, Bangalore.
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1) By clearfelling 16,000 acres per annum in dry deciduous forests at Rs.500/- per acre	80/-
2) By sale of 1,50,000 tons of Eucalyptus per annum to Harihar Polyfibers at Rs.24/- per ton.	36/-
3) By sale of firewood from 9,500/- acres in category I of scrub forests at 10 tons per acre and at Rs.16 per ton.	15/-
4) From 25,000 acres under category II of scrub forests.	20/-
Total	151 lakhs.

The Minister for Forests further observed that it is proposed to raise Eucalyptus plantations in dry deciduous forests at 16000 acre per annum and out of the scrub forest area under III categories only 47,500 acres would be taken up at the rate of 9500/- acres for a period of 5 years. In the balance area of scrub forests it is proposed to take up only 31,500/- acres for plantation mainly of economically useful species like Tamarind, Honge, Sandal, Neve, Alale, Coconut etc. with an admixture of Eucalyptus in suitable areas which would not only give a sustained annual yield after say about fifteen years but would also create an asset of about Rs.250/- crores.

The Managing Director, Agriculture Finance Corporation stated that the scheme sent to him about six months ago did not provide for repayment of

loan and interest before the 10th year and that realisation from the yield should be set apart for repayment and that about 5 lakhs acres made over to the Corporation. He stated that while calculating the yield from the areas ~~xx~~ from ~~xxxxxxxxxxxx~~ made over to the Corporation, the revenue from the Eucalyptus plantations need not be taken into account and that only virgin areas where Eucalyptus plantations are to be taken up afresh, may be taken into account. This was agreed to by the Minister for Forests.

The Minister for Forests further observed that in ambitious scheme spread over a period of 43 years at an estimated cost of Rs.55/- crore has been prepared to cover a large extent of the scrub forests besides deciduous forest area as otherwise, with the land hunger of the people a vast area out of the scrub forests would be occupied by the people for cultivation purposes. This is the main reason for taking up development of scrub forests. Rs.27½/- lakhs per vouli be required for taking up plantations for about 20 years. The Minister for Forests gave a copy of the Rs.55/- crore scheme drawn up, to the Managing Director of the Agricultural Finance Corporation who promised to study the scheme. The Minister for Forests further observed that the scheme should be finalised early, and that a further meeting would be held as early as possible. He further directed ~~x~~ that information should be obtained from all the Divisions about the expenditure incurred per acre on the Eucalyptus plantations raised during 1969-70. The Managing Director, Agriculture Finance Corporation stated that he would be available ~~x~~ in Bangalore from the 10th May 1970 for about 5 weeks as he was coming here on leave and that the scheme could be discussed at the convenience of the Minister for Forests then.

First 5 years:

1) Dry deciduous forests	16,000	acres per annum
2) Scrub Forests.		
(a) Category I	9,500	-do-
(b) Category II	25,000	-do-
(c) Category III	6,500	-do-
	57,000	-do-

After the first 5 years:-

1) Dry deciduous forests	16,000	acres per annum
2) Scrub Forests		
(a) Category II	25,000	-do-
(b) Category III	6,500	-do-
	47,500	-do-

The anticipated expenditure may be estimated at about Rs.157 lakhs per annum thus

	Rs.lakhs
1) Raising of Eucalyptus plantations on an area of 20,000 acres at Rs.135/- per acre.	27/-
2) Raising of other economic species on an area of 37,000 acres at Rs.350/- per acre.	129.50
	156.50.

-xxxx-

AFD 1 FAP 69

141 P.17

To

The C.C.F.

The C.C.F (Dev)

Sir,

Sub:- Establishment of forest corporation in the State.

I am directed to fd h/w a copy of the proceedings of the meeting held in the chambers of the Min/Forests on 25th April 7. on the subject cited, for taking further needful action in accordance with the decision taken in the matter.

— Y.F.

copy with a copy of the proceedings of the meeting is fd. to the C.F. W.P&D. Circle with a request u/s A&F

P.16 ~~P.14~~
142

Proceedings of the meeting held on the Chambers of the Minister for Forests on the 25th April 1970 at 11.50 A.M. to consider the setting up of a Forest Corporation.

PRESENT:

1) Minister for Forests
2) Sri B. Rudramurthy, Managing Director, Agricultural Finance Corporation.
3) Secretary to Govt., Agri. & Forest Department.
4) Conservator of Forests in Charge, W.P. & D. Circle.
5) A.T.A. to Chief Conservator of Forests.
6) T.A. to Chief Conservator of Forests (Development)
7) Divisional Forest Officer, Working Plans & Forest Resources Survey, Bangalore.
8) Under Secretary, A & F. Department (Forest).

The Minister for Forests desired to know from the Managing Director, Agriculture Finance Corporation about the setting up of a Forest Corporation for Development of the scrub and dry deciduous areas in the State.

The Managing Director, Agriculture Finance Corporation indicated that during the discussions held in the Chambers of the Development Commissioner earlier in the day and from the scheme drawn up by the Chief Conservator of Forests for setting up a Corporation for raising Eucalyptus Plantations it was assessed that the return from the Plantations would be Rs.36/- per acre per annum as the average yield from one acre was estimated at 30 tons and at Rs.24/- per ton the value of the yield would be Rs.720/- per acre. Against this over a ten year period the costs on the plantation would be Rs.207/-, the over heads Rs.35/- and interest Rs.120/- aggregating to about Rs.360/- per acre. The industry is prepared to take up on lease land for raising the plantations on a yearly rental of Rs.50/- per acre. So the prepared Corporation should also be in a position to earn Rs.50/- per acre from the plantations.

The Minister for Forests observed that three crops from the Eucalyptus plantations should be taken into account to assess correctly the return. Not only Eucalyptus should be

contd.2.

raised but other economically useful species should be planted. Out of the total scrub area of about 25 lakh acres proposed to be taken up earlier, only about 8 lakhs acres are now proposed to be taken up. The income to Government would be about Rs.131 lakhs per annum as follows:-

	Rs.lakhs.
1) By clearfelling 16,000 acres per annum in dry deciduous forests at Rs.500/- per acre	.. 80/-
2) By sale of 1,50,000 tons of Eucalyptus per annum to Harihar Polyfibers at Rs.24/- per ton	.. 36/-
3) By sale of firewood from 9,500/- acres in category I of scrub forests at 10 tons per acre and at Rs.16 per ton.	15/-
4) From 25,000 acres under category II of scrub forests.	.. 20 /-
Total	..151 lakhs.

The Minister for Forests further observed that it is proposed to raise Eucalyptus plantations in dry deciduous forests at 16000 acre per annum and out of the scrub forest area under III categories only 47,500 acres would be taken up at the rate of 9500/- acres for a period of 5 years. In the balance area of scrub forests it is proposed to take up only 31,500/- acres for plantation mainly of economically useful species like Tamarind, Honge, Sandal, Bevu, Alale, Coconut etc. with an ad-mixture of Eucalyptus in suitable areas which would not only give a sustained annual yield after say about fifteen years but would also create an asset of about Rs.250/- crores.

The Secretary, to Govt., A & F.Department was of the view that we may initially start the Corporation in a small way and widen its activities subsequently. The Minister for Forests was of the firm view that when once

contd.3.

we think of starting the Forest Corporation we must ensure that the Forest areas are well developed.

The Managing Director, Agriculture Finance Corporation ~~xxxx~~ started that the scheme sent to him about six months ago did not provide for repayment of loan and interest before the 10th year and that realisation from the yield should be set apart for repayment and that about 5 lakhs acres made over to the Corporation. He stated that while calculating the yield from the areas made over to the Corporation, the revenue from the Eucalyptus plantations need not be taken into account and that only virgin areas where Eucalptus plantations are to be taken up afresh may be taken into account. This was agreed to by the Minister for Forests.

The Minister for Forests further observed that an ambitions scheme spread over a period of 43 years at an estimated cost of Rs.53/- crors has been prepared to cover a large extent of the Scrub Forests besides deciduous forest areas as other-wise, with the land hunger of the people a vast area out of the scrub forests ~~xx~~ would be occupied by the people for cultivation purposes. This is the main ~~xxxx~~ reason for taking ~~xxxx~~ up development of scrub forests. Rs.275 lakhs per year would be required for taking up plantations for a period of about 20=years. The Minister for Forests gave a copy of the Rs.53/- crors scheme drawn up to the Managing Director of the Agricultural Finance Corporation who promised to study the scheme. The Minister for Forests further observed that the scheme should be finalised early, ~~the plantations taken up~~ and that a further meeting could be held as early as possible. He further directed that information should be obtained from all the Divisions about the expenditure incurred per acre

contd.4.

P. 43

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on the Eucalyptus plantations raised during 1969-70. The Managing Director, Agriculture Finance Corporation stated that he would be available iin Bangalore from the 10th May 1970 for about 3 weeks as he was coming here on leave and that the scheme could be discussed at the convenince of the Minister for Forests than.

The Minister for Forests observed that the scheme drawn up by the department envisages taking up of 57,000 acres for plantations as follows:

First 5 years:

1) Dry decidious forests	.. 16,000	acres per annum
2) Scrub Forests.		
(a) Category I	.. 9,500	-do-
(b) Category II	.. 25,000	-do-
(c) Category III	.. 6,500	-do-
	57,000	-do-

After the first 5 years:

1) Dry deciduous forests	.. 16,000	acres per annum
2) Scrub Forests		
(a) Category II	.. 25,000	-do-
(b) Category III	.. 6,500	-do-
	47,500	-do-

The anticipated expenditure may be estimated at about Rs.157 lakhs per annum thus

	Rs.lakhs
1) Raising of Eucalptus plantations on an area of 20,000 acres at Rs.135/- per acre.	.. 27/-
2) Raising of other economic species on an area of 37,000 acres at Rs.350/- per acre.	..129.50
	156.50

(1) G.O. has already been requested in G.L. No. AFD1FA/69 dt 25/4/70.

SL. No. 6 — P. 12 146

Dy. Secy. No. 904/70/4 Min. of St. Forests. No. Date. MFP (Gen) 105/70.

B.Marappa, B.Sc.(Hons)., A.I.F.C.,
Conservator of Forests,
Working Plans & Development Circle,
Bangalore.

D.O.No.Dpt.51.PASF-127/69-70.

New Public Offices,
Bangalore, 8th April, 1970.

Dear Sri Venkoba Rao,

Sub:- Project on the afforestation of scrub and Dry deciduous Forests of Mysore State etc.

I enclose a copy of the memo of instructions issued by the Hon'ble Minister of State for Forests through the Technical Assistant to the Chief Conservator of Forests in Mysore, Bangalore, for kind reference.

In this connection, I wish to bring to your kind notice that a scheme for afforestating the scrub and dry deciduous forests of Mysore State was drawn up and submitted by my predecessor to the Hon'ble Minister of State for Forests. But according to the Memo of instructions issued now, the scheme in question is to be revised. Hence, I request you kindly to return the original scheme for reference and preparation of a fresh scheme as a copy of the original scheme is not available in this office.

Yours sincerely,
B. Marappa

Shri.N.Venkoba Rao, B.A.,
Private Secretary to the
Hon'ble Minister of State for Forests,
Bangalore.

GS/8-4'

Sub 15: 2523 FB70 15.4.70.

For order if the copy be sent to the C.F. as desired.

2/9/4.

D/S to examine. Let the officer concerned in preparing the scheme bring the same for discussion during next week.

2274/FH/70. 9/4/70

14/4/70

Sri ARB 16/4

P.11
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Memo of instructions issued by the Hon'ble Minister of State for Forests, through the Technical Assistant to the Chief Conservator of Forests in Mysore, Bangalore.

To

The Conservator of Forests,
Working Plans and Development Circle,
Bangalore.

The Hon'ble Minister for Forests desires that a revised Project be drafted in respect of Dry Deciduous and Scrub Forest areas so as to cover the following:-

(1) The Plan should be for 10 years showing the Revenue and Expenditure for first five years and the next five years.

(2) Share capital shall be to the tune of Rs.10 crores only.

(3) Expenditure should be limited to 2½ crores annually for next four years.

(4) The interest should be paid annually.

(5) The repayment towards capital should start from 5th year onwards.

(6) The annual revenue from Grass, Bamboo, Bevu and Minor Forest Produce species etc., to be shown so that repayment becomes possible.

Further details of any may please be had from the Hon'ble Minister for Forests by personally contacting him.

(Sd) G.M.Shankaraiah.
for CHIEF CONSERVATOR OF FORESTS.

Copy

B. Karath 8/4/70

CONSERVATOR OF FORESTS.

GS/8-4'

Sl. No. 5 — P.10
148

GOVERNMENT OF MYSORE

No. AFD 1 FAP (Supl.)

MYSORE GOVERNMENT SECRETARIAT,
VIDHANA SOUDHA,

Dated, Bangalore, 8/5/1970

FROM

The Secretary to the Government of Mysore,
Agriculture & Forest Department.

To The Chief Conservator of Forests
in Mysore, Bangalore.

Sir,

Sub: Forest Department - Establishment of a Corporation for the Development of Forests in the State.

With reference to correspondence resting with your letter No.B1.3/PER/3/69-70 dated 3/6-4-70 on the subject cited above, I am directed to state that the amount of Rs.11/- lakhs provided in the budget in respect of the scheme for plantation of fast growing species, for the year 1970-71 may be distributed to the concerned Conservator of Forests for implementation of the scheme.

I am to add that inview of the transfer of plan schemes to Non-plan it will not be possible to allocate more funds to the extent of Rs.29/- lakhs as requested by you.

Yours faithfully,

ISSUED

Date 8.5.1970

(S.Balasubramanyan)
i/c Deputy Secretary to Government,
Agriculture & Forest Department.

hns/8-5/

AFD I FAP (Supl) P.9

149

To

The e.e.F.

Sir,

Subj:- As at p.8/cr.

W/r to correspondence resting with your letter No. BI. 3/PRR/3/69-70 dated 3/6/4/70 on the subject cited, I am directed to ~~convey, by order and in the name of the Governor, approval of Govt. to distribute~~ state Govt the amount of Rs 11.00 lakhs provided in the budget in respect of the scheme for plantation of fast growing species for the year 1970-71 may be distributed to the concerned C.Fs for implementation of the scheme.

(1) p.8/cr.

I am to add that in view of the transfer of plan schemes to non-plan it will not be possible to allocate more funds to the extent of Rs 29.00 lakhs as requested by you.

Y. F.

28/4

U/S Adl

SL.NO. 4 — P.8

150

(MYSORE FOREST DEPARTMENT)

B1 3/PRR/3/69-60.

CHIEF CONSERVATOR'S OFFICE:
Bangalore, dated, 3rd April, 1970.
6

To

The Secretary to Government,
Agriculture and Forest Department,
BANGALORE.

14555

Sir,

Sub: Forest Department - Establishment of a Corporation for the Development of Forests in the State ...

Ref: Your No.AFD 1 FAP 69 (Suppl) dt.23-3-70. — P.3/CF

Receipt of your above quoted letter is hereby acknowledged.

2. From the above, it is evident that several nurseries maintained for implementation of the said Scheme during ~~next~~ the year has to be discontinued as there will not be any budget provision for debiting the costs against the said works. Besides, the following staff is borne on the said Scheme in various Divisions as under :-

ARB

2690/KRA/2
1074

KANARA CIRCLE

(a) Dandeli Division	Jeep Driver	-	One
	Malies	-	Ten
(b) Yellapur "	Jeep Driver	-	One
	Malies	-	Eight
(c) Karwar "	Jeep Driver	-	One
	~~Malies~~ Watchers	-	Nine
(d) Honavar "	Foresters	-	Two
	Guards	-	Two
	Jeep Driver	-	One

BELGAUM CIRCLE

(a) Belgaum Division	Watchman	-	One
	Forester	-	One

COORG CIRCLE

(a) Mercara Division	Guards	-	Two
	Watchers	-	Three
(b) Hunsur "	Foresters	-	Two
	Guards	-	Six
	Watchers	-	Two

P/2...

MYSORE CIRCLE

(a) Mysore Division	Forester	-	Two
	Guards	-	Four

SHIMOGA CIRCLE

Asst. Conservators of Forests	Four
Range Forest Officers	Six
Foresters	Twelve
Guards	Twenty four
Watchers	Thirty
Orderlies	Nine
I Grade Accountants	Two
II Grade Accountants	Five
Typists	Six
Jeep Drivers	Three
Tractor Driver	One
Tractor Cleaner	One
Bamboo Supervisors	Four
II Grade Surveyors	Five
Pumpset Operators	Fourteen
Pumpset Cleaners	Fourteen
Clerks	Five

If no allotment is made, the several staff as noted above cannot draw their pay for March 1970 to be paid in April 1970.

I therefore request you kindly to pass clear orders on the following :-

1) to discontinue the work on Nurseries in respect of the said Scheme

2) to discontinue the service of the several staff as detailed above forthwith.

Yours faithfully,

N. S. Karkin

Chief Conservator of Forests.

4/4

Sl. No. 3 — P. 6 152

No:31/3/PRR/3/69-70.
Encl: 7 pm

Chief Conservator's Office
Bangalore:Dated: 21/3/ 1970.

To

The Secretary to Government,
Agriculture and Forest Department,
BANGALORE.

Sir,

Sub:-Setting up of a Forest Corporation in Mysore State for Plantations.

Ref:-This office letters of even No.Dated 19-4-1969,23-12-69, 20-1-70, 12-1-70, 29-1-70 and 31-1-70.

12166 During the course of the discussion on 31-1-1970 with the Development Commissioner, he indicated that it would be difficult for the Banks to provide finance by way of loan to the Corporation unless there is provision for starting repayment at least in the 3rd or 4th year. As it is, the repayment can only be made starting from the 11th year onwards. To overcome this difficulty and to make the scheme a bankable proposition, he suggested that the existing Eucalyptus plantations may also be included in the Corporation as assets and the revenue derived from the existing plantations by supply to various industries be utilised for starting the payments. Accordingly the enclosed corrections slip may be substituted for the concluding 2 paras of the project report.

2240/FR/n 25/3

I am enclosing herewith two statements (Annexure J revised and accompaniment to Annexure J) One showing the financial position recalculated after including the existing eucalyptus plantations in the Corporation and the other in respect of the estimated yield and Revenue from the existing Eucalyptus plantations which has been committed to M/s.Harihar ~~Polyfi~~ Polyfibres as per Government Order No.AFD-19/FDP/69 Dated 4-12-69. This can be taken in lieu of annexure 'J' of the original project report.

Sr. PRB 24/3

From this statement it will be seen that it will be possible for the corporation to commence the repayment of loan by instalments and full interest on loan drawn from the forth year onwards. The entire loan will be repaid by the end of 10th year of starting repayments or an the 13th year from the date on which the first instalment of the loan was drawn i.e. 1970-71.

From the accompaniment to annexure JJ' it will be seen that an area of 2,12,483 acres of eucalyptus plantations (which have been committed to M/s.Harihar Polyfibres for exploitation as per Government Order No.AFD-19-FDP-69 Dated 4-12-1969) has been taken into account for arriving at the estimated yield and revenue there from. The said area has therefore to be transferred under the control of the Corporation as assets valued at Rs.2,54,41,492/- being the preferantial share for the value of yield of 1229578 tons from the existing plantations @ Rs.20/- per ton and the value of land calculated at a nominal cost of Rs.4/- per acre which will be taken as share capital of the Coporation. This value of Rs.2,54,41,492/- being the assets transferred to the Corporation shall be added on to the paid up capital of the corporation which will be Rs.1,47,51,000/- being the share capital contributed by the Government during the 10 year period. Thus the paid up capital of the company will be Rs.4,01,92,492/- or Rs.Four Crores.

The Corporation will make a gross profit of Rs.17,04,000/- in the 14th year after liquidating the entire loan and interest and providing amount towards the expenditure for the next year. Hence it may be seen that this venture will be a sound bankable proposition. A data sheet showing the details of working accompany.

I therefore request you kindly to cause to issue Government

...2.

P.5 153

orders on the following as already requested in this office letter of even No.Dated 29-1-1970:-

1) For the formation of a Corporation for raising plantations of Fast growing species and to entrust the work pertaining to drawing up of Memorandum and Articles of the Company and subsequent Registration of the Company to Messrs.Agro Industries Corporation, Bangalore.

2) Sanctioning an expenditure of Rs.53,000/- to be incurred on the formation of the Corporation.

3) For the continuation of a committee of prospective Directors to discuss the draft memorandum and articles of association.

4) For the deputation of the Additional Technical assistant and an Accountant of this office, to go over to Bombay for discussion with the Managing Director, Agriculture Finance Corporation Ltd., Bombay.

5) to transfer the extent of 2,12,483 acres of existing plantations under the control of the Corporation

and 6) permit the department to negotiate with the banks on behalf of the proposed Corporation to secure loans.

Yours faithfully,

D. Manjunathappa 4/3
Chief Conservator of Forests

N.

RECALCULATION OF THE FINANCIAL POSITION OF THE MYSORE STATE ~~INDUSTRIAL~~ INDUSTRIAL PLANTATION CORPORATION, BANGALORE.

PREAMBLE:

In the Corporation as formulated originally no assets were included in the form of plantations already raised. Now it is proposed to include all Eucalyptus plantations raised by the Forest Department upto 1969-70 which have been conceded to the Harihar Polyfibres Ltd., as per Government Order No.AFD-19-FDP-69 dated 4-12-1969. The Eucalyptus plantations raised in the entire Shimoga Circle and Dandeli Division of Kanara Circle have been excluded as these have been earmarked for a separate Company.

Assets:-

As indicated in the preamble the total areas of Eucalyptus plantations coming under the Corporation will be 2,12483 acres out of which 28,737 acres will be pure plantation, 58,356 acres will be mixed plantation and 1,25,390 acres trenchmound plantations. On an average, the yield from each of these areas has been reckoned as 16 tons per acre for pure plantations, 10 tons per acre for mixed plantations, and 2 tons per acre for trench mound system.

The Government are contributing a share capital of one-fourth of the amount required for raising the plantations. The details of total amount required each year for raising plantations, i.e. contribution from the Government, the loan amount, etc., are shown in the statement. The total borrowings for the Ten year period starting from 1970-71 to 1979-80 will be Rs.4,42,40,000. The interest on the loan is calculated @ 9% per annum.

Mode of Repayment of the Loan and interest:-

The revenue realised to the Corporation by the supply of raw materials to the Harihar Polyfibres is shown in Col.8 of the Statement. As can be seen from the Statement, the revenue realised ~~xx~~ varies each year between Rs.12 lakhs to 27 lakhs per year giving on an aggregate over 10 year period Rs.2,45,92,000/-. It is proposed to start repayment of loan and interest from the 4th year onwards. The payment will be on the basis of clearing the entire amount of interest due up to end of previous year plus 15,00,000 per year towards repayment of loan. As the revenue realised during the several years is not uniform, it is necessary to carry at least some surplus amount after payment towards capital and interest as indicated above. Thus, in Col.17, the figures indicated are the amounts left at the disposal of the Corporation after making the payment towards interest and capital. By the end of 1979-80, we will have paid up Rs.1,05,000/- towards capital and Rs.1,30,000/- towards interest. In the beginning of the 11th year, we will thus be carrying over a loan amount of Rs.3,37,40,000/-. At the beginning of 1980-81, we will be left with uncleared loan amount of Rs.3,37,40,000/- and an interest of Rs.30,37,000/-. During the year 1980-81, the revenues from sale of raw materials will be as below:-

a) from plantations raised by the Corporation during the year 1970-71 onwards. Rs.1,52,50,000/-

b) 2nd rotation crop from the areas exploited from 1970-71 onwards. Rs. 25,08,000/-.

The total revenue thus derived will be more than 1½ crores of rupees as indicated in Col.10 of the statement. The loan will be cleared from 1980-81 at Rs.1 crore each year plus the interest due up to 1981-82. During 1982-83, the entire loan amount and the interest will be cleared.

The revenue realised from 1980-81 onwards will not only permit us to clear the loan as indicated above but also leave a sizeable surplus from which the amount required for maintenance can be drawn.

451 N.

155

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
1982-83.		...		1962-63	Rs.20/-	-	-	14.63	-	-	-	-	-	-	-
1983-84				1963-64	"	-	-	-	25.45	-	-	-	-	-	-
1984-85				1964-65	"	-	-	-	-	27.52	-	-	-	-	-
1985-86				1965-66	@25/-	-	-	-	-	-	32.15	-	-	-	-
1986-87				1966-67	"	-	-	-	-	-	-	39.25	-	-	-
1987-88				1967-68	"	-	-	-	-	-	-	-	35.32	-	-
1988-89				1968-69	"	-	-	-	-	-	-	-	-	34.57	-
1989-90				1969-70	"	-	-	-	-	-	-	-	-	-	34.57

N.21/2

CHIEF CONSERVATOR OF FORESTS

SL. No. 2 — P. 3
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GOVERNMENT OF MYSORE

No. AFD 1 FAP 69 (Suppl.)

MYSORE GOVERNMENT SECRETARIAT,
VIDHANA SOUDHA,

Dated, Bangalore, 23.3.70 ~~198~~

FROM

The *Secretary to the Government of Mysore*
Agriculture and Forest Department.

To

The Chief Conservator of Forests
in Mysore, Bangalore.

Sir,

Sub:- Forest Department-Establishment of a Corporation for the development of Forests in the State.

-xxx-

With reference to your letter No. B1/3/PRR/3/69-70 dated the 12th March 1970 on the above subject, I am directed to state that the Forest Corporation that is proposed to be established is for the development of dry deciduous and scrub forests in the State; but the scheme drawn up for the development of these two areas would include raising of Eucalyptus plantations as has been discussed in a number of meetings held in the Chambers of the Minister for Forests, when you were present.

I am further to add that the amount of Rs. 11 lakhs provided in the budget in respect of the scheme for plantation of forest growing species is only towards the initial expenditure to be incurred for the setting up of the Forest Corporation and for meeting the Government share of the expenditure to be incurred by the Corporation ~~share~~ in raising Eucalyptus and other plantations. Hence, I am to add that no amount out of the said Rs. 11 lakhs should be allotted separately to any of the Conservators of Forests for implementing the scheme independently of the proposed Corporation.

Kindly acknowledge receipt of this letter.

Yours faithfully,

(S. Balasubramanyan)
Under Secretary to Government,
Agriculture and Forest Department.

ISSUED
Dated 23/3/70

Chandu.

Accompanimentto Annmure I (Revised)

Statement showing the Estimated Yield and Revenue from the Existing Eucalyptus Plantations.

Year of Plantation.	Extentof Plantation (in acres) Pure	Mixed	Trench mound	Extimated Yield in tons	Rate per ton with bark.	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78.	1978-79	1979-80
								Estimated Revenue during each of the years							
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
						I ROTATION.									
Prior to 1960-61	4132	225	36512	1,25,446	Rs.20/-	25.08	-	-	-	-	-	-	-	-	-
1961-62	1481	1894	11465	62,702	" "	-	12.54	-	-	-	-	-	-	-	-
1962-63	1869	3980	6684	73,140	" "	-	-	14.63	-	-	-	-	-	-	-
1963-64	1993	7835	11905	1,27,232	"	-	-	-	25.45	-	-	-	-	-	-
1964-65	2560	7247	13351	1,37,624	"	-	-	-	-	27.52	-	-	-	-	-
1965-66	2517	6591	11628	1,28,604	"	-	-	-	-	-	25.72	-	-	-	-
1966-67	3300	7642	11117	1,56,980	"	-	-	-	-	-	-	31.40	-	-	-
1967-68	4127	6136	10968	1,41,284	"	-	-	-	-	-	-	-	28.26	-	-
1968-69	3379	8403	5880	1,38,282	"	-	-	-	-	-	-	-	-	27.66	-
1969-70	3379	8403	5880	1,38,282	"	-	-	-	-	-	-	-	-	-	27.66
TOTAL:	28,737	58356	125390	12,29,578											
						II ROTATION									
						1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
1980-81 as in				1960-61	"	25.08	-	-	-	-	-	-	-	-	-
1981-82				1961-62	"	-	12.54	-	-	-	-	-	-	-	-

HIMACHAL STATE PLANTATION CORPORATION -- STATEMENT SHOWING THE FINANCIAL POSITION.

(RUPEES IN THOUSANDS)

YEAR.	Total amount required for expenditure.	Amount of 25% Contribution by the State Government towards Share Capital.	Amount of loan proposed to be secured.	Cumulative loan after making provision for repayment as noted in Column.(11).	Amount of interest at the rate 9% simple interest per annum.	Total (5 + 6)	Total Receipts. (Revenue) By sale of Eucalyptus wood of existing plantations.	By sale of Eucalyptus wood of Plantations raised by corporation	TOTAL.	Provision for repyment. LOAN.	INTEREST.	TOTAL.	Balance (5-4). Loan at the beginning of the year.	Interest payable at the end of the year.	Surplus (+) or deficit (-) for the year.	Cumulative Surplus.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.
1970-71	3883	0971	2912	2912	0131 (only for 6 months).	3043	2508	--	2508	--	--	--	2912	0131	+ 2508	2508
1971-72	4568	1167	3501	6413	0577	6990	1254	--	1254	--	--	--	6413	0577	+ 1254	3762
1972-73	5209	1303	3906	10319	0929	11248	1463	--	1463	--	--	--	10319	0929	+ 1463	5225
1973-74	5550	1388	4162	12981	1168	14149	2545	--	2545	1500	1637	3137	8819	1168	- 0592	4633
1974-75	5891	1473	4418	15899	1431	17330	2752	--	2752	1500	1168	2668	11481	1431	+ 0084	4717
1975-76	6306	1577	4729	19128	1722	20850	2572	--	2572	1500	1431	2931	14399	1722	- 0359	4358
1976-77	6451	1613	4838	22466	2022	24488	3140	--	3140	1500	1722	3222	17628	2022	- 0082	4276
1977-78	6731	1683	5048	26014	2341	28355	2826	--	2826	1500	2022	3522	20966	2341	- 0696	3580
1978-79	7011	1753	5258	29772	2679	32451	2766	--	2766	1500	2341	3841	24514	2679	- 1075	2505
1979-80	7291	1823	5468	33740	3037	36777	2766	--	2766	1500	2679	4179	28272	3037	- 1413	1092
TOTAL:	58991	14751	44240	33740	16037	49777	24692	--	24592	10500	13000	23500	33740	16037	1092	1092
1980-81	3924	--	--	23740	2137	25877	2508	15250	17758	10000	3037	13037	23740	2137	+ 4721	5813
1981-82	3244	--	--	13740	1237	14977	1254	15250	16504	10000	2137	12137	13740	1237	+ 4367	10180
1982-83	3044	--	--	--	--	--	1463	15250	16713	13740	1237	14977	--	--	+ 1736	11916
	10212	GRAND TOTAL:			19411	63651	29817	45750	75567	44240	19411	63651	--	19411	11916	11916

(-)10212

1704.

B.K./N.

81.m.2 159 2

DRAFT.

No.AFD 1 FAP 69 (Suppl).

To

The C.C.F. in Mysore,
Bangalore.

Sir,

Sub: Forest Department - Establishment of a Corporation for the development of Forests in the State.

With reference to your letter No.B1/3/PRR/3/69-70 dated the 12th March 1970 on the above subject, I am directed to state that the Forest Corporation ~~in~~ that is proposed ~~k~~ to be established is for the development of dry deciduous and scrub forests in the State; but the scheme drawn up for the development of these two areas would include ~~for~~ raising of Eucalyptus plantations as has been discussed in a number of meetings held in the Chambers of the Minister for Forests when you were present.

I am further to add that the amount of Rs. 11 lakhs provided in the budget in respect of the scheme for plantation of fast growing species is only towards (1) the initial expenditure to be incurred for the setting up of the Forest Corporation and (2) for meeting the Government share of the expenditure to be incurred by the Corporation in raising ~~these~~ Eucalyptus and other plantations. Hence, I am to add that no amount out of this sanctioned Rs 11 lakhs should be allotted separately to any of the Conservator of Forests for implementing the scheme independently ~~for~~ of the proposed Corporation.

Kindly acknowledge ~~the~~ receipt of this letter.

Yours faithfully,

18/3

Under Secy. to Govt.
A& F.D.

Sl. No. 1 P-1

160

B1/3/PRR/3/69-70.

CHIEF CONSERVATOR'S OFFICE:
Bangalore, dated, 1970.

To

The Secretary to Government,
Agriculture and Forest Department,
Bangalore.

Sir,

Sub: Forest Department - Establishment of a Corporation for the development of Forests in the State.

Ref: Your No. AFD 1 FAP 69, dated 9-3-70.

From the above, it is clear that the Corporation is to be formed only in respect of dry deciduous forest and scrub forests which is being attended to by the Conservator of Forests, Working Plans and Development Circle, Bangalore. No Corporation is therefore contemplated exclusively for raising fast growing species.

The Government have provided an amount of Rs. 11.00 lakhs for expenditure for 70-71 in respect of the scheme for plantations of fast growing species. As works of raising fast growing species has to be continued from April 1st, 1970 I am taking action to distribute the said amount to the respective Conservators' of Forests for implementation of the scheme and drawing up the programme. As the commitment will be of the order of Rs. 40.00 lakhs and only Rs. 11.00 lakhs have been provided, I request you kindly to move the Government to allot the balance amount of Rs. 29 lakhs at an early date.

Yours faithfully,

D. Rangadappa 17/3
Chief Conservator of Forests.

Mb/

SELECTION. A.&R.D. No. 1897/AA/2 Date 16 MAR 1970 Signature 10904 17/3

Sir ARD 8 17/3

24(a)

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GOVERNMENT OF MYSORE.

No.AFD 1 FAP 69.

Mysore Government Secretariat,
Vidhana Soudha,
Dated, Bangalore the 4th April 1970.

OFFICIAL MEMORANDUM.

Sub: Forest Department - Establishment of a Forest Corporation in the State - Meeting on the 8th April 1970 at 11-00 A.M. in the Chambers of the Minister of State for Forests -

A meeting will be held in the Chambers of the Minister of State for Forests on the 8th April 1970 at 11-00 A.M. with the following to consider the question of establishment of a Forest Corporation in the State for the development of Dry Deciduous and Scrub Forests:

1. Development Commissioner, Commissioner for Agricultural Production, Special Secretary to Government, Agriculture Production and Secretary, Planning & Social Welfare Department.
2. Secretary to Government, Finance Department.
3. Secretary to Government, Agriculture & Forest Department.

I am to request you kindly to attend the meeting.

A brief note on the subject is enclosed.

(S. Nagabhushanayya)
Under Secretary to Government,
Agriculture & Forest Department.

To
1. The Personal Assistant to Development Commissioner, Commissioner for Agricultural Production, Special Secretary to Government, Agriculture Production and Secretary, Planning & Social Welfare Department.
2. The Personal Assistant to the Secretary, Finance Department.
3. The personal Assistant to the Secretary, A & F. Department.
4. The Personal Assistant to the Deputy Secretary, A & F.D.
5. Copy forwarded for information to the Private Secretary to the Minister of State for Forests.

NOTE.

Sub: Forest Department - Establishment of a Forest Corporation in the State -

I. Government have taken a decision on the 4th March 1970 to constitute a Forest Corporation and to negotiate with the State Bank of India, Agricultural Finance Corporation and Commercial Banks to get financial support for constituting the Corporation as early as possible.

(1) Object of the Scheme: To raise plantations on an intensive scale of mostly fast growing species i.e., different species of Eucalyptus, in view of the growing demand for raw materials for wood based industries. Further, the value of the forest is enhanced by introduction of valuable species like Sandal, Tamarind, Silver Oak, Burga, Alale, Mango, Cashew, Thangadi, Bamboo, Honge, Thapra, Teak, Sevri etc. The scheme proposes to produce and supply woods for all purposes like Ply-wood, Matchwood, Packingcases, besides catering to the needs of agriculturists for manufacture of implements, poles, props etc. It is proposed to tackle an area of 3,20,000 acres in the Dry Deciduous Forests and an area of 6,07,500 acres in the Scrub Forests in the first stage.

Besides the above area, it is proposed to take up an area of 1 lakh acres comprised of both dry deciduous and scrub forests for raising the following plantations:-

1. Coconut plantations interplanting with Thangadi;
2. Cashew plantation with Eucalyptus;
3. Tamarind and Burga plantation interplanting with Thangadi;
4. Burga, Silver Oak, Mango, Bamboo etc plantations.
5. Alale and Thapra plantations.
6. Teak.
7. Honge, Bamboo to be planted along Nalas;
8. Sandal to be dibbled along inspection paths and as boundaries of plantation.
9. Plantains are proposed to be cultivated wherever possible specially in and around the nurseries where water facilities are available.

...2.

10. Date palm would be introduced in suitable localities.

11. Fodder grass is proposed to be raised over an area of 10,000 acres.

(2) Duration of the Scheme:

Plantations would be raised during the first 20 years only but expenditure would have to be incurred till the 43rd year.

(3) Finances:

A. Expenditure:

I. Dry deciduous & Scrub Forests:

Investment	R. Crores.
1. By State Government for 18 years	19.08
2. By Forest Corporation for 18 years.	19.08
	38.16
From the 19th year to the 43rd year the expenditure will be met from the revenues of the Corporation after repayment of loan and interest thereon at 6%.	11.99
	50.15

II. Economic planting raised over an area of 1,000,000 acres for 20 years at 3,000 acres per annum.

First 20 years - capital investment	3.00
From 21st to 43rd year - Maintenance	0.48
	3.48

Note: The entire expenditure is proposed to be met from Government funds. Hence no provision has been made for payment of interest.

Grand Total I + II	53.63

B. Revenue:

For the entire period of 43 years.		R. Crores.
I. From Dry deciduous and Scrub Forest Schemes. Gross Revenue		92.64
Less: Recurring:		
1. Loan (From Banks etc)	19.08	
2. Expenditure from 19th to 43 rd year	11.99	
3. Interest	5.67	
	36.74	
4. Government share from 1st to 18th year	19.08	56.83
Net Revenue		35.81

II. From Economic species raised over an area of 1,00,000 acres.

Gross Revenue	22.17
Less Investment	3.48
Net Revenue	18.79
Total Net Revenue - I + II	56.61

It is estimated that the forest yield at the 43rd year would be about Rs. 850 crores. The average revenue per annum would be Rs. 1.5 to Rs. 2 crores. The total revenue during the 43 year period of the scheme would be Rs. 55 crores.

II. The points for consideration are:

1. Payment out by Government the contribution equal to 50% of the annual expenditure on the scheme for the first 18 years on the scrub forest and Dry Deciduous forest development scheme costing Rs. 38.16 crores.

2. Government to bear the entire expenditure on the plantation of economic species in an area of one lakh acres during the entire period of 43 years costing Rs. 3.48 crores.

3. No interest should be levied on the amount invested by Government i.e., Rs. 19.08 crores plus Rs. 3.48 crores = Rs. 22.56 crores.

4. to assume the rate of interest payable on the loan raised by the Corporation at 6% per annum simple interest.

5. Government to subsidise the Corporation by an amount equal to 3% of the borrowings towards interest payable as is done by Government in the case of other development schemes under the Agricultural Production Programme.

6. to negotiate with the State Bank of India, Agriculture Finance Corporation and Commercial Banks with a view to get financial support for constituting the Corporation as early as possible.

Sh. m. J

165 21

DRAFT.

No.AFD 1 FAP 69.

OFFICIAL MEMORANDUM.

Sub: Forest Department - Establishment of a Forest Corporation in the State - Meeting on the 8th April 1970 at 11-00 A.M. in the Chambers of the Minister of State for Forests.

A meeting will be held in the Chambers of the Minister of State for Forests on the 8th April 1970 at 11-00 A.M. with the following to consider the question of establishment of a Forest Corporation in the State for the development of Dry Deciduous and Scrub Forests:

1. Development Commissioner, Commissioner for Agricultural Production, Special Secretary to Govt, Agriculture Production and Secretary, Planning & Social Welfare Department.
2. Secretary to Government, Finance Department.
3. Secretary to Government, A & F.Department.

I am to request you kindly to attend the meeting.

A brief note on the subject is enclosed.

Under Secretary to Government,
A & F.Department.

24/4.

Copy:
1. P.A. to Development Commissioner, Commissioner for Agricultural Production, Special Secretary to Govt. Agri.Production and Secretary, P & S.W.Department.
2. P.A. to Secretary, Finance Department.
3. P.A. to Secretary, A & F.Department.
4. P.A. to Deputy Secretary, A& F.D.

Copy forwarded for information to P.S. to Minister of State for Forests.

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NOTE.

Sub: Forest Department - Establishment of a Forest Corporation in the State -

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Government have taken a decision ~~recently~~ on the 4th March 1970 to constitute a Forest Corporation and to negotiate with the State Bank of India, Agricultural Finance Corporation and Commercial Banks to get financial support for constituting the Corporation as early as possible.

(1) Object of the Scheme: To raise plantations on an intensive scale of mostly fast growing species ie., different species of Eucalyptus, in view of the growing demand for raw materials for wood based industries. Further, the value of the forest is enhanced by introduction of valuable species like Sandal, Tamarind, Silver Oak, Burga, Alale, Mango, Cashew, Thangadi, Bamboo, Honge, Thupra, Teak, Bevu etc. The scheme proposes to produce and supply woods for all purposes like Ply-wood, Matchwood, Packingcases, besides catering to the needs of agriculturists for manufacture of implements, poles, props etc. It is proposed to tackle an area of 3,20,000 acres in the Dry Deciduous Forests and an area of 6,87,500 acres in the Scrub Forests in the first stage.

Besides the above area, it is proposed to take up an area of 1 lakh acres comprised of both dry deciduous and scrub forests for raising the following plantations:-

1. Cocoanut plantations interplanting with Thangadi;
2. Cashew plantation with Eucalyptus;
3. Tamarind and Burga plantation interplanting with Thangadi;
4. Burga, Silver Oak, Mango, Bamboo etc plantations
5. Alale and Thupra Plantations,
6. Teak.
7. Honge, Bamboo to be planted along Nalas;
8. Sandal to be dibbled along inspection paths and boundaries of plantation.
9. ~~Plantations~~ Plantains are proposed to be cultivated

p.t.o.

wherever possible specially in and around the nurseries where water facilities are available.

10. Date palm would be introduced in suitable localities.

11. Fodder grass is proposed to be raised over an area of 10,000 acres.

(2) Duration of the Scheme:

Plantations would be raised during the first 20 years only but expenditure would have to be incurred till the 43rd year.

(3) Finances:

A. Expenditure:

I. Dry deciduous & Scrub Forests.

Investment	Rs. Crores.
1. By State Government for 18 years	19.08
2. By Forest Corporation for 18 years.	19.08
	38.16
From the 19th year to the 43rd year the expenditure will be met from the revenues of the Corporation after repayment of loan and interest thereon at 6%	11.99
	50.15

II. Economic species raised over an area of 1,00,000 acres for 20 years at 5,000 acres per annum.

First 20 years - capital investment.	3.00
From 21st to 43rd year - Maintenance.	0.48
	3.48

Note: The entire expenditure is proposed to be met from Government funds. Hence no provision has been made for payment of interest.

Grand Total I +II	53.63

U/S. Explain

B. Revenues:

For the entire period of 43 years.		Rs. Crores.
I. From Dry deciduous and Scrub forest Schemes. Gross Revenue		92.64
Less Repayments:		
1. Loan (From Banks etc)	19.08	
2. Expenditure from 19th to 43rd year	11.99	
3. Interest	5.67	
	36.74	
4. Government share from 1st to 18th year	19.08	
		55.82
Net Revenue		36.82
II. From Economic species raised over an area of 1,00,000 acres.		
Gross Revenue		22.27
Less Investment		3.48
Net Revenue		18.79
Total Net Revenue - I + II		55.61

It is estimated that the forest yield at the 43rd year would be about Rs. 250 crores. The average revenue per annum would be Rs. 1.5 to Rs. 2 crores. The total revenue during the 43rd year period of the scheme would be Rs. 55 crores.

II The points for consideration are:

1. payment by Government the contribution equal to 50% of the annual expenditure on the scheme for the first 18 years on the scrub forest and Dry Deciduous forest development scheme costing Rs. 38.16 crores.

2. Government to bear the entire expenditure on the plantation of economic species in an area of one lakh acres during the entire period of 43 years costing Rs. 3.48 crores.

..p.t.o.

3. no interest should be levied on the amount invested by Government ie., Rs. 19.08 crores plus 3.48 crs = Rs. 22.56 crores.

4. to assume the rate of interest payable on the loan raised by the Corporation at 6% per annum simple interest.

5. Government to subsidise the Corporation by an amount equal to 3% of the borrowings towards interest payable as is done by Government in the case of other development schemes under the Agricultural Production Programme.

6. to negotiate with the State Bank of India, Agriculture Finance Corporation and Commercial Banks with a view to get financial supprt for constituting the Corporation as early as possible.

Sl. no. 1

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DRAFT.

SECRET. AFD 1 FAP 69.

CABINET NOTE.

Sub: Forest Department - Establishment of a Forest Corporation in the State - ~~Rattern~~ ~~of~~ Pattern of assistance —

1. ~~Rattern of assistance~~: At the meeting of the Cabinet held on the 4th March 1970 it was decided to constitute a Forest Corporation, ~~agreed in principle~~ and to negotiate with the State Bank of India, Agricultural Finance Corporation and Commercial Banks to get financial support for constituting the ~~a~~ Corporation as early as possible. 2. In accordance with the instructions of the Minister for Forests given to the Conservator~~x~~ of Forests Working ~~Rx~~ Plans & Development Circle he has drawn up a broad outline of a scheme at an estimated cost of about Rs. ~~60~~ 53 crores spread over a period of 44 years.

(1) p. 4-3

3. The broad features of the scheme so drawn up are detailed below:-

(2) p. 8

(1) Object of the Scheme: To raise plantations on ~~xxxx~~ an intensive scale of mostly fast growing species ie., different species of Eucalyptus, in view of the growing demand for raw-materials for wood based industries. Further, the value of the forest is enhanced by introduction of valuable species like Sandal, Tamarind, Silver Oak, Burga, Alale, Mange, Cashew, Thangadi, ~~Rank~~ Bamboo, Honge, Thupra, Teak, Bevu, etc. The scheme proposes to produce and supply woods for all purposes like ply-wood, matchwood, packing cases, besides catering to the needs of agriculturists for manufacture of implements, poles, props etc. The Minor Forest Produce to be derived from the economically important species introduced, further

enriches the wealth of the forest. Sandal will be a valuable asset to the State. It is also proposed to ease the fodder scarcity of the rural areas by cultivating good edible varieties of grass useful for cattle, in suitable localities.

Under this Project, it is proposed to tackle an area of 3,20,000 acres inthe Dry Deciduous Forests and an area of 6,87,500 acres in the Scrub forests in the first stage. The project also provides for raising economically important species like Tamarind, Alale, Sandal, Teak, Thupra, Cashew, Honge, Bevu, Mango, Thangadi, Cocoanut, Bamboos etc., in suitable localities inthe project area over an additional area of 1,00,000 acres in 20 years at 5,000 acres per year.

(2) Details of area:

		Acres in lakhs.
(a) Dry Deciduous: (Rainfall - 30" to 50") ~~16,000 acres per annum~~ 16,000 acres per annum for 20 years	=	3.20
~~(Rainfall ranging from 30" to 50" per annum).~~		
(b) Scrub Forest: (Rainfall - upto 30")		
(i) Category - 1. Flat area ~~attempting~~ permitting ploughing at 9,500 acres per annum for 5 years	=	0.475
(ii) undulating area ~~attempting~~ for ~~of~~ trenching mound plantation. 25,000 acres per annum for 20 years		5.00
(iii) Hilly area not ~~attempting~~ permitting of concentrated plantations. 7,000 acres per annum for 20 years	=	1.40
	Total	10.075

In the entire area under dry deciduous only Eucalyptus plantations will be raised. The yield per acre would be 20 tonnes at 10,17 and 25th year.

~~In the~~ Scrub forest area Eucalyptus ~~will be raised mixed with other economic species.~~

...3.

In category(i) under scrub forest only pure Eucalyptus plantation will be riased. The yield is estimated at 10 tonnes per acre ~~for a period of 5 years~~ at the 10th, 20th and 30th year.

In category(ii) of the scrub forest in addition to Eucalyptus plantations, minor forest produce yielding trees will be raised. The yield of Eucalyptus per acre in this area is estimated at 5 tonnes per acre at the 10th, 20th and 30 th year..

In category ~~2xxfxxhx~~ (iii) of the scrub forest only minor forest produce ~~yiloing~~ yielding trees will be raised which are expected to yield from the 15th year onwards annually.

Besides, ~~this~~ There in an area of 1 lakh acres comprised of both dry deciduous and scrub forests ~~was~~ depending upon the suitability of the area for raising the species, it is proposed to raise:

(1) Cocoanut plantations~~x~~ interplanting with Thangadi;
(2) Cashew plantation with Eucalyptus ;
(3) Tamarind and Burga plantation~~x~~ interplanting ~~x4x~~ with Thangadi;
(4) Burga, Silver Oak, Mango, Bamboo etc plantation
(5) Alale and Thupra Plantation;
(6) Teak;
(7) Honge, Bamboo to be planted along Nalas;
(8) Sandal to be dibbled along inspection paths and boundaries of plantation.

~~No revenue is expected during the project period.~~

(9) Plantains are proposed to be cultivated ~~wx~~ wherever possible specially in and around the nurseries where water facilities are available.

(10) Date palm ~~maxxxx~~ would be introduced in suitable localities.

(11) Fodder grass is proposed to be raised over an area of 10,000 acres.

(3) Duration of the Scheme:

Plantations would be raised during the first 20 years only but expenditure would have to be incurred till the ~~44th~~ 43rd year.

(4) Finances:

A. Expenditure:

I. Dry deciduous & Scrub Forests.

Investment	Rs. Crores.
1. By State Government for 18 years	19.08
2. By Forest Corporation for 18 years	19.08
	38.16
From the 19th year to the 43rd year the expenditure will be met from the revenues of the Corporation after repayment of loan and interest thereon at 6%	11.99
	50.15

II. Economic species raised over an area of 1,00,000 acres for 20 years at 5,000 acres per annum.

First 20 years-capital investment.	3.00
From 21st to 43rd year-Maintenance.	0.48
	3.48

Note: The entire expenditure is proposed to be met from Government funds. Hence no provision has been made for payment of interest.

Grand Total I + II	53.63

B. Revenues.

For the entire period of 43 years.

		Rs. Crores.
I. From Dry deciduous and scrub forest schemes		
Gross Revenue		92.64
Less		
Repayments:		
1. Loan (From ~~Corporation~~ Bankseh)	19.08	
		...5

		92.64
1.	19.08	
2. Expenditure from 19th to 43rd year	11.99	
3. Interest	5.67	
	36.74	
4. Government share from 1st to 18th year	19.08	
		55.82
Net Revenue.		36.82

II. From Economic species raised over an area of 1,00,000 acres.

Gross Revenue	22.27
Less Investment	3.48
Net Revenue	18.79

Total Net Revenue - I + II	55.61

Contd... 6

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(1)

Note 55- Volume I

4. The Minister for Forests has minuted on 18th March 1970 as follows:-

"The Officers of the Working Plan have really concentrated in preparing the scheme for Dry Deciduous and Scrub Forest areas in the State. After careful scrutiny with necessary data, the extent of land available under the above two categories i.e., 17 lakh acres and 25 lakh acres respectively. They have very conveniently taken one-third of the area in each category i.e. 4 lakh acres and 7 lakh acres in the first instance to prepare the scheme for Forest Corporation. The total scheme for the Corporation is for ~~Rs. 60~~ crores. The interest that has been calculated is at 6% and further I have already requested the Hon'ble Chief Minister that 3% interest may be subsidised by Government as in the case of any other development scheme under Agriculture Production programme. I have also spoken to C.M. that the Government share contribution may be 50% out of which half of it should be subscribed every year by Government and the balance should be by way of security by Government in view of the very important development scheme for the State which will really be an asset in order to meet the demands of the wood-based industries in the State and also to have abnormal increase of the forest revenue to Government as per the statements appended.

about Rs 60

(2)

p. 6-3.

I have instructed the officers in several meetings regarding the future development of the forests. The cost on the establishment has been worked only at 7% which is far below that in any other State in India. I have also instructed to send the proposal for Surveyors to be appointed to further survey to know the scope in other Dry Deciduous and Scrub areas excluding the area now taken by the Corporation.

" Cabinet has already approved in principle the creation of a Forest Corporation. ..... Before the ~~matter is~~ meeting of officers is arranged for discussion regarding finding sources of financial assistance to the Corporation, the matter needs to be taken to the Cabinet for its approval.

" So, incorporating all the salient features and economics of the scheme as well as pattern of financial assistance as I have already indicated in the above paras and also the requirement of staff etc., the Cabinet Note may be prepared today to be approved and placed before the next meeting of the Cabinet to be held on 25th March 1970."

~~Hence this Cabinet Note.~~

~~Orders of the Cabinet are solicited.~~

Contd....

5. The Minister for Forests has further minuted on the 20th March 1970 as follows:-

" The revenue realisation from the standing Eucalyptus to Harihar Polyfibre from 71-72 will be Rs. 36 lakhs and the revenue realisation from clearance of tree growth from areas to be taken up for development under Dry Deciduous would be Rs. 80 lakhs annually. The income woud therefore be 116 lakhs. The income out of the sale of Eucalyptus from 1½ lakhs tons to 4½ lakhs tons would be given increased revenue. This income could be utilised towards payment of interest and payment of instalment of principal. So this position may be indicated in the Cabinet note.

~~The total assets after 43 years in addition to the constant revenue to Govt.~~ Eucalyptus grown by the forest corporation starts yielding revenue after 10th year. 20,000 Acres at the rate of 18 tons per acre would yield 3 lakhs 60000 tons and the revenue per annum from 11th year would be about Rs. 86 lakhs. ~~So~~ From 21st year the revenue will be doubled.

In addition to the above, various other economic species start yielding revenue from about 15th year onwards.

Thus the average revenue per annum would be Rs. 1.5 to 2 crores. During the 43 year period of the scheme, the total revenue would be about Rs. 55 crores.

The forest wealth at the end of the 43rd year is estimated at Rs. 250 crores.

This may be incorporated in the Cabinet Note."

6. Finance Department when consulted have opined thus:

7. Orders of the Cabinet are solicited -

1) to Government contributing 50% of the annual expenditure on the scheme for the first eighteen years on the Scrub forest and Dry Deciduous forest development scheme.

2) to Government bearing the entire expenditure on the plantation of economic species in an area of one lakh acres during the entire period of forty-three years.

3) to non-payment of interest on the amount invested by Government.

4) to the rate of interest payable on the loans raised by the Corporation being assumed at 6% per annum simple interest.

5) to Government subsidising the Corporation by an amount equal to 3% of the borrowings towards interest payable as is done by Government in the case of other development schemes under the Agricultural Production Programme.

6) to negotiate with the State Bank of India, Agriculture Finance Corporation and Commercial Banks with a view to get financial support for constituting the Corporation as early as possible.

SECRETARY TO GOVERNMENT,
A & F DEPARTMENT.

29/3

A BRIEF NOTE ON THE PROJECT REPORT FOR RAISING PLANTATIONS IN THE DRY DECIDUOUS AND SCRUB FORESTS OF MYSORE STATE.

The State of Mysore is 74,122 Sq.Miles in extent and the forest area is 13,582 Sq.Miles. This works out to 18.4% as against the minimum of 33 1/3% of forests envisaged in the Indian National Policy. Of this forest area, excluding the Evergreen, the Semi-Evergreen and the Moist Deciduous forests which are concentrated towards the western portion of the State in the heavy rain-fall zone, there is nearly 2,713 Sq.Miles (17,33,492 acres) of Dry Deciduous and 4,025 Sq.Miles (25,75,719 acres) of scrub forests. The rainfall in the Scrub Forests which are scattered all over the eastern half of the state, is below 30" per annum, while it is about 50" per annum in the Dry Deciduous Forests which are situated in between the Scrub and the Moist Deciduous Forests. The major portion of the Dry Deciduous forests lies on hilly regions wherein tampering with the existing vegetation would rather tend towards the deterioration of the growth and hence should be dealt with very carefully and in a restricted way. An area of about 1,10,500 acres are already brought under artificial regeneration in these forests where the land is good and fairly flat, thus leaving an area of 16,25,530 acres as forest. Total extent of Scrub forest in the state is estimated to be 25,75,195 acres. Out of this an area of 2,33,376 acres have already been afforested leaving a balance of 23,41,819 acres.

Given by CF WPD Circle

13/3/70

The object of the scheme is to raise plantations under intensive scale of mostly fast growing species i.e., different species of Eucalyptus, in view of the growing demand for raw-materials for wood based industries. Further, the value of the forest is enhanced by introduction of valuable species like Sandal, Tamarind, Silver Oak, Burga, Alale, Mango, Cashew, Thangadi, Bamboo, Honge, Thupra, Teak, Bevu, etc. The scheme proposes to produce and supply woods for all purposes like ply-wood, match-wood, packing cases, besides catering to the needs of agriculturists for manufacture of implements, poles, props etc. The Minor Forest Pfoduce to be derived from the economically important species introduced, further enriches the wealth of the forest. Sandal will be a valuable asset to the State. It is also proposed to ease the fodder scarcity of the rural areas by cultivating good edible varieties of grass in suitable localities.

Under this project, it is proposed to tackle an area of 3,20,000 acres in the Dry Deciduous Forests and an area of 6,87,500 acres in the Scrub forests. The project also provides for raising economically important species like Tamarind, Alale, Sandal, Teak, Thupra, Cashew, Honge, Bevu, Mango, Thangadi, Cocoanut, Bamboos etc., in suitable localities in the project area over an additional area of 1,00,000 acres in 20 years at 5,000 acres per year. The total expenditure on this account is expected to be Rs.Three Crores during the 1st 20 years.

<u>The financial implication of the scheme is as under</u>:- Annually an area of 16,000 acres in the Dry Deciduous Forests will be taken up for afforestation over a period of 20 years aggregating to 3,20,000 acres.

Revenue expected from clear felling 16,000 acres annually comes to 80 lakhs of Rupees per year, at the rate of Rs.500/- per acre. In the scrub forest an area of 9500 acres under Category-I will be afforested per annum and the total area would be 47,500 acres for a period of 5 years. It is estimated that the revenue to be derived from these 9500 acres per annum would be Rs.95,000/- at Rs.10/- per acre. The entire area under this Category is being proposed to be afforested within 5 years so as to cover the area to prevent encroachment for cultivation. Under Category-II of the scrub area annually 25,000 acres will be afforested over a period of 20 years, thereby tackling an area of 5 lakhs acres. Under Category-III of the Scrub area, annually 7,000 acres over a period of 20 years will be tackled. The area thus tackled will be 1,40,000 acres. Thus over a period of 20 years, the total area afforested would be 10,07,500 acres. The total extent of expenditure on plantation, formation and maintenance including establishment and other charges would be Rs.50.15 crores, over a period of 43 years. A total loan of 19.08 crores will have to be borrowed upto the 18th year, in addition to an investment of 19.08 crores by the State Government, the State Government share being 50% of the total expenditure. The total interest that will have to be paid works out to 5.67 crores on the borrowed money at 6% interest. The entire amount of loan plus interest could be repaid by the 18th year and thereafter the plantations could be raised and maintained from the revenue realised by the exploitation of the plantations raised under this project. The gross revenue derived from these areas would be 92.64 crores. The nett revenue for a period of 43 years to the Government from the plantations after repayment of the loan and the interest would be Rs.56.67 crores.

-:o:-

Statement showing the Financial Forecast of the Project.

Year.	Total expenditure (in lakhs Rs.).	Corporation share loan @ 50% expenditure (in lakhs Rs.).	Cumulative loan (in lakhs Rs.).	Accumulated interest @ 6% on loan (in lakhs Rs.).	Total Revenue (in lakhs Rs.).	Provision made for payment of interest (in lakhs Rs.)	Provision made towards capital repayment (in lakhs Rs.)	Nett. surplus ~~Cat.~~ ~~Yrs~~ (in lakhs Rs.).	Remarks.
1.	192	96	96	xxx -	116	-	-	116	Dry Deciduous:
2.	211	106	202	6	116	6	-	110	15,000 x 20 years acres =3,20,000 Acs.
3.	226	113	315	12	116	12	-	104	
4.	227	113	428	19	116	19	-	97	Scrub.
5.	230	115	543	26	116	26		90	Cat.I. 9,500x5 Yrs. = 47,500 Acs.
6.	202	101	644	33	116	33		83	Cat.II. 25,000x20 Yrs. = 5,00,000 "
7.	200	100	744	39	116	39		77	Cat.III. 7,000x20 Yrs. =1,40,000 Acs.
8.	200	100	844	45	116	45		71	Total: 10,07,500 Acs.
9.	202	101	945	51	116	51		65	
10.	204	102	867	57	246	57	1[illegible]	9	Total Expenditure. Rs.50.15 crores.
11.	213	107	784	52	246	52	1[illegible]	4	Total Loan taken Rs.19.08 crores.
12.	210	105	699	47	246	47	1[illegible]	9	Total intrest paid Rs.5.67 crores.
13.	211	105	614	42	246	42	20[illegible]	4	Net surplus. Rs.56.67 crores.
14.	213	107	521	37	246	37	20[illegible]	9	
15.	215	108	429	31	222	31	19[illegible]	1	
16.	218	109	348	26	224	26	1[illegible]	8	
17.	220	110	268	21	301	21	280	20	
18.	222	111	119	16	301	15	23[illegible]	54	
19.	224	224	2	7	301	7	22[illegible]	70	Government share of Investment over 18 years. Rs.19.08 crores.
20.	226	226			301		226	75	
21.	77	77			353		77	276	Approximate Interest @ 6% Rs. 5.67 crores.
22.	58	58			273		58	215	
23.	49	49			273		49	224	Rs.24.75
24.	49	49			273		49	224	
25.	47	47			327		47	280	
26.	45	45			329		45	284	Balance expenditure
27.	43	43			329		43	286	from 19th year by
28.	41	41			329		43	288	corporation Rs.11.99 crores.
29.	39	39			329		39	290	
30.	36	36			275		36	239	
31.	34	34			239		34	205	
32.	31	31			239		31	208	
33.	29	29			239		29	210	
34.	26	26			239		26	213	
35.	24	24			217		24	193	

Continued on page No.2.

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
36.	22	22			217		22	195	
37.	20	20			140		20	120	
38.	18	18			140		18	122	
39.	16	16			140		16	124	
40.	15	15			110		15	95	
41.	12	12			110		12	98	
42.	10	10			110		10	100	
43.	8	8			110		8	102	
Total: 50.15 lakhs.				567 lakhs.	9264 lakhs.	567 lakhs.	31.07 ~~3050~~ lakhs.	55.90 ~~5667~~ lakhs.	

BSV.12-3'

19.08
11.99
31.07
+.67
31.74

9264
3674
5590

Statement showing the financial forecast of 1 Lakh acres of other economic

Sl. No.	Cocoanut plantations with inter planting of Thangadi.					Cashew plantations with eucalyptus.					Tamarind and Bevu Plantations interplanted with Thangadi.				
	Annual area Acres.	Cost per Acre.	Total area for the scheme.	Total expenditure for the scheme.	Yield from 10th year.	Annual area Acres.	Cost per Acre and annual expenditure.	Total area for the scheme.	Total expenditure for the scheme.	Yield from 7th year at Rs. 10/- per Acre.	Annual area Acres.	Cost per Acre.	Total area for the scheme.	Total expenditure for the scheme.	Yield from 10th year.
		Rs	Ac	Rs	Rs		Rs	Ac	Rs	Rs		Rs	Acs.	Rs	Rs
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
1.	50.	1070 240 1310. or 65,500 per year.	1000.	13,10,000.	2,70,000 per year or 27,00,000 for 20 years period. From 20th year onwards upto 30th year yield would be 5,20,000 per annum. from 30th year 10,40,000.	2,000.	200 50 250. or 5,00,000 per year.	40,000.	1,00,00,000.	1,60,000 per year or 22,40,000 for 20 years period. From 20th year onwards the revenue would be 3,20,000 per annum, upto 27th year. After 27 years Rs.4,00,000.	1000.	200 50 250 or 2,50,000 per year.	20,000.	50,00,000.	20,00,000 per year or 2,00,00,000 for 20 year period. From 20th year onwards Revenue would be Rs.40,00,000 per annum upto 30th year from 31st year the revenue will be Rs 80,00,000/- per year

GENERAL.

1. Fodder grass may be introduced in the plantations during the year of formation so that it will be available for harvesting for 2-3 years. About 10,000 cres per year ~~aw~~ is proposed to be covered under this scheme. Revenue expected would be Re.1/- per acre which works out to Rs.10,000/- per year. Therefore for the plan period the revenue would be 10,000x20 - Rs. 2,00,000/-.
2. Honge and Bamboo to be planted along Halas.
3. Sandal to be dibbled along inspection paths and boundaries of plantation. The Revenue from this cannot be expected during the project period.
4. Plantains may be cultivated wherever possible, especially in and around the nurseries where water facility is available.
5. Date palm may be introduced in suitable localities.

ies to be raised under The Project.

Burga, Silver oak, Mango and Bamboo.						Alala plantations.						Teak.			
Annual area Acres.	Cost per Acre.	Total area for the scheme.	Total expenditure for the scheme.	Yield.	Annual area Acres.	Cost per Acre.	Total area for the scheme.	Total expenditure for the scheme.	Yield.	Annual area Acres.	Cost per Acre.	Total area for the scheme.	Total expenditure for the scheme.	Yield.
	Rs	Ac	Rs			Rs	Ac	Rs			Rs	Ac	Rs	Rs.
17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.
750.	300 50 350 or 2,62,500 per year.	15,000.	52,50,000.	No yield is expected upto 25 years. After 25 years an annual yield of 20 tons per acre may be counted, which works out to Rs.4,50,000 per annum at Rs.30/- per ton upto 45th year.	250.	200 50 250 or 62,500 per year.	5,000.	12,50,000.	No yield is expected upto 10 years. After 10th year a Revenue of Rs.10/- per acre may be expected which works out to 2,500/- per annum. It will be increased by Rs.2,500/- annually upto 20th year. Therefore the Revenue for the plan period would be Rs.25,000/-. As regards the revenue from Alala, it will be from 21st year. ~~and it will be~~ at Rs.10/- per acre.	1000.	220 50 270 or 2,70,000 per year.	20,000.	54,00,000.	Yield from only one thinning could be expected from 12th year Rs.1,50,000/- per year upto 32 years. Final yield will be at the end of the rotation period. For the plan period the revenue will be 15,000 x 9 = ~~135,000/-~~ Rs. 13,50,000/-

Abstract for 20 years period.

	Expenditure.	Revenue.
1. Coconut.	13,10,000/-	27,30,000/-
2. Cashew.	1,00,00,000/-	2,40,000/-
3. Tamarind.	50,00,000/-	2,00,000/-
4. Burga, Silver Oak etc.	52,50,000/-	-
5. Alala, Thupra etc.	12,50,000/-	25,000/-
6. Teak.	54,00,000/-	13,50,000/- ~~1,20,00,000/-~~
7. Grass.	20,000/-	2,00,000/-
	2,02,30,000/-	2,65,15,000/-
Expenditure on staff.	7,70,000/-	
Rs.	3,00,00,000/-	2,65,15,000/-

ABSTRACT FOR 44 YEARS

COST OF RAISING COCOANUT PLANTATION IN ONE ACRE
(AS PER HORTICULTURAL DEPARTMENT ESTIMATE).

Espacement = 33' x 33' i.e., 40 plants per acre.

(1)	Preparation of area for planting including ploughing, levelling, pitting (3'x3'x3').	Rs. 200-00.
(2)	Fencing.	250-00.
(3)	Cost of seedlings 3 years old (Nursery cost).	115-00.
(4)	Planting.	10-00.
(5)	Irrigation.	140-00.
(6)	Digging irrigation channel.	100-00.
(7)	Shading.	70-00.
(8)	Inter-cultivation with Thangadi.	40-00.
(9)	Manuring, farm yard manure, fish, meat or organic manure.	120-00.
(10)	Plant protection measures.	5-00.
(11)	Water lay out and miscellaneous charges.	20-00.
		1,070-00.

II year and onwards upto 8th year.

(1)	Irrigation charges.	Rs. 60-00.
(2)	Inter-cultivation.	40-00.
(3)	Manuring.	120-00.
(4)	Plant protection measures.	5-00.
(5)	Miscellaneous.	15-00.
		Rs. 240-00.

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SECRET. 1970 AFD & FAP 70

CABINET NOTE.

C.100/70

Subject: Forest Department - Establishment of a Corporation for the Development of Forests in the State -

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1) The Scheme for growing "Fast Growing Species" was a Centrally Sponsored one till the 31st March 1969. Substantial assistance was received from the Government of India outside the plan ceiling till then towards the Scheme. From 1-4-69 "Fast Growing Species" ceased to be a Centrally Sponsored Scheme and the expenditure on it had to be met by the State. A meeting was therefore held on the 18th February 1969 by the Development Commissioner, Commissioner for Agricultural Production and Secretary, Planning & Social Welfare Department with Sri K.Ramamoorthy, Joint Secretary to Government of India, Ministry of Food, Agriculture, C.D. & Co-operation, Secretaries to Government, Finance Department and A.&F Department and the Chief Conservator of Forests when it was decided that a scheme should be drawn up for the establishment of a Corporation to enable taking up plantation of Eucalyptus to meet the growing demand from the Wood based Industries in the State. Accordingly the Chief Conservator of Forests prepared a scheme costing Rs. 8.55 crores for approval of Government.

2. The Minister for Forests had minuted on the 13th January 1970 as follows:-

> " The C.M. has expressed his opinion that a comprehensive scheme may be prepared both for Fast Growing species and also for development of Dry Deciduous and scrub forest so that 'Forest Corporation' going to be created should provide money for the development of the area available for afforestation on long range basis. Chief Conservator of Forests and C.C.F.(Dev) to concentrate with their officers during this month to finalise the scheme and the same may be forwarded to Govt. for further action in the matter."

3. The question of drawing up an integrated plan for development of forest was discussed at a number of meetings by the Minister for Forests with the officers of the Forest Department and as a result of those discussions the Forest Department have drawn up a scheme costing Rs. 38 crores spread over for a period of 44 years.

4. The State of Mysore comprises of 74,122 sq.miles of land area of which only 13,582 sq.miles is under forest. This works out to 18.4% as against the minimum of 33⅓% of Forests envisaged in the Indian National Forest Policy. Out of this Forest area excluding the evergreen, semi-evergreen and Deciduous forests which are concentrated towards the Western portion of the State in the heavy rainfall zone, there are nearly 4,025 sq.miles (25,75,196 acres) of Scrub Forests which are scattered all over the eastern half of the State.

P.T.O. ...2.

These scrub forests consist of plenty of out-crops of rocks and in places covered by thorny bushes of little or no economic value. These areas are also heavily grazed or consist of grassy blanks which are practically devoid of any fertile soil or vegetation. The heavy incidence of grazing and fire and repeated hacking of the existing growth by the local population for domestic purposes, has resulted in further depletion and erosion of soil. The scanty and erratic rainfall in this eastern zone has further aggravated the adverse conditions, so much so, that even nature has found it, inhospitable to generate these areas. It would be of great advantage if these areas could be profitably tackled and covered with vegetation which would be of both economic importance and improvement of the locality by way of conserving soil and moisture besides prevention of erosion.

5. The total extent of dry Deciduous Forests in the State is estimated to be approximately ~~xxxxxxxxxxxxxx~~ 2,713 sq.miles or 17,36,490 acres. A major portion of this area lies in rocky, undulating and hilly regions where any tampering with the existing vegetation would rather tend towards deterioration of the growth and hence should be left protected under the existing systems of exploitation. It is further estimated that an area of 173 sq.miles or 1,10,560 acres are already brought under artificial regeneration. An area of 870 sq.miles or 5,56,800 acres are considered fit for raising plantations. It is proposed to raise plantations on an intensive scale of fast growing species and increase the out-put from these forests and augment supply of raw materials to the wood based industries. Besides, it is proposed to enhance the value of the forests by introducing valuable species like Sandal, Tamarind, Alale etc.

6. A scheme has been drawn up costing Rs. 38 crores to cover the areas under dry, Deciduous and scrub forest in the State. The scheme is drawn up for a period of 44 years out of which the plantation programme would be for a period of first 20 years. The benefit of the plantations would be exploited til the 44th year. The total area that would be taken up for plantations is about 7,67,500 acres under scrub forests and 15 lakhs acres under Dry Deciduous.

7. The salient features of the Scheme are:-

1) [illegible] 16,000 acres in dry deciduous forests would be taken up annually for a period of 20 years. In the scrub forests 38,375 acres would be raised annually for a period of 20 years as the area is comparatively flat and is liable to be encroached upon for cultivation.

2) Fast Growing species mostly Eucalyptus and other valuable species like Sandal, Tamarind, Silver Oak, Buruga, Alale, Mango, Ailanthus, Cashew, Thangadi Bamboos etc., would be taken up for planting to cater to the ever-growing demand of the various wood-based industries and for agricultural implements, poles, props, minor forest produce etc.,

3) The yield would commence from the 10th year onwards of the fast growing species and would continue to yield upto the 44th year by rotation. Certain species, however, begin yielding only from the 20th year onwards like Sandal, Tamarind, Alale etc.

4) Finances:

I. Total cost of the Scheme:

	(Rs. in lakhs)
i) Formation and maintenance of plantations	3416.75
ii) Establishment and other charges	379.22
Total	3795.97 or Rs. 38 crores.

II. Investment by Government:

25% of the annual expenditure during the first 18 years aggregating to Rs. 713.38 lakhs is the investment by Government. From the 19th to the 43rd year the entire expenditure of Rs.942.43 lakhs has to be borne by Government. This is proposed to be met from the revenues realised from the existing Eucalyptus plantations raised upto 1968-69 and the areas to be cleared for raising fresh plantations under the Scheme.

III. Investment by the Corporation:

The investment of the Corporation would be 75% of the annual expenditure aggregating to Rs. 2140.15 lakhs. This investment is only for a period of first 18 years and would be repaid in 9 annual instalments commencing from the 10th year.

IV. Repayment:

Interest accruing on the loan aggregating to Rs. 1067.44 lakhs would be paid annually from the 2nd year upto the 18th year.

V. Returns:

~~i)~~ The returns start from the 10th year onwards;

	(Rs. in crores)
i) Total revenue from new plantations from 10th to 44th year:	151.87
ii) Total revenue from existing Eucalyptus plantations from the 1st to 30th year.	7.38
iii) Total revenue from the areas to be clearfelled for raising plantations under the scheme from 1st year to 20th year	56.00
Total revenue:	215.25

P.T.O. ....4.

iv) Net surplus revenue to Government 164.68

v) Average annual revenue from plantations under the scheme after repayment of the capital investment and interest thereon (Rs. 151.87 lakhs minus total revenue of Rs. 215.25 lakhs minus net surplus revenue to Government of Rs. 164.68 lakhs divided by 44). 2.7

8. The Minister of State for Forests has minuted on 3rd March 1970 thus:

" The idea of creating a Forest Corporation was mooted when the Government of India discontinued allotment of grants under the Centrally sponsored schemes. One of the items under the Centrally sponsored Schemes was ' the Fast Growing Species' ie., of Eucalyptus. The demand for Eucalyptus has increased after the State Government have made a commitment to M/S Harihar Polyfibers for supply of about 4,50,000 tons spread over a period of years. Side by side, the development of scrub and Dry Deciduous forest areas was also thought of. Discussions were held with the officers of the Territorial Divisions and the Working Plan Divisions with the Conservators of Forests and the Chief Conservators of Forests (General) & (Devt.) and a comprehensive scheme has been drawn up for the purpose. The economics of the scheme and the salient features of the project are indicated in the report and statements placed below.

Incorporating all the salient features, a Cabinet Note may be prepared today and put up for my approval. I intend taking it to the meeting of 4th March 1970 and obtaining the approval of the Cabinet."

Hence this Cabinet Note.

9. Orders of the Cabinet are solicited

a) to the constitution of a Forest Corporation in principle;

b) to negotiate with the State Bank of India, Agriculture Finance Corporation and Commercial Banks with a view to get financial support for constituting the Corporation as early as possible.

V. Byrappa

(V. BYRAPPA)
SECRETARY TO GOVERNMENT,
AGRICULTURE & FOREST DEPARTMENT.
3.3.70